



SATIN CREDITCARE NETWORK LTD.
Reaching out!

Analyst Day Presentation
September 2023

Relentless
Exploring Prospects.
Growing footprint.



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 may reflect some price-sensitive information in terms of SEBI regulations and Companies Act, 2013, as amended from time to time. The Company may alter, modify or otherwise change in any manner the contents of this presentation, without obligation to notify any persons of such change or changes. 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. Based on revised returns filed by the company, some items may have been regrouped.

Aditi Singh

Head – Strategy

- ✓ A gold medalist in Economics (Hons.) from Banasthali Vidyapith, and Management of Business Finance from IIF, she holds 15+ years of experience in the financial services industry across several functions
- ✓ Vast knowledge in various functions like Investment Banking, Private Equity, Fund Raising, Merger and Acquisition, Deal structuring, Negotiations and Alliances
- ✓ Areas of responsibility involve Strategy, Investor Relations, PR and Communication, Stakeholder management, ESG, CSR and Social Performance Management, to aid in right positioning of the company
- ✓ Formerly held positions at CG Corp Global, UV Capital Pvt. Ltd, and IFCI Venture Capital Funds



Background

Incorporated in 1990

Leadership

Led by Mr. HP Singh; a veteran in financial services along with diversified and experienced management team

Listing

Listed since 1996 on Indian stock exchanges

Strategic Positioning

Serving rural India to fulfill their unmet credit demand through offerings of microfinance, micro - MSME, affordable and micro housing

Subsidiaries

Two wholly owned subsidiaries: SFL and SHFL

One of the leading NBFC-MFIs

- **#1** in terms of presence in States/UT
- **#2** in terms of presence in Districts
- **#4** in terms of Customer Base
- Consistently ranked **amongst Top 10** in terms of GLP

AUM

Rs. 9,535 crore

Active Clients

30.5 Lacs

Employees

11,291

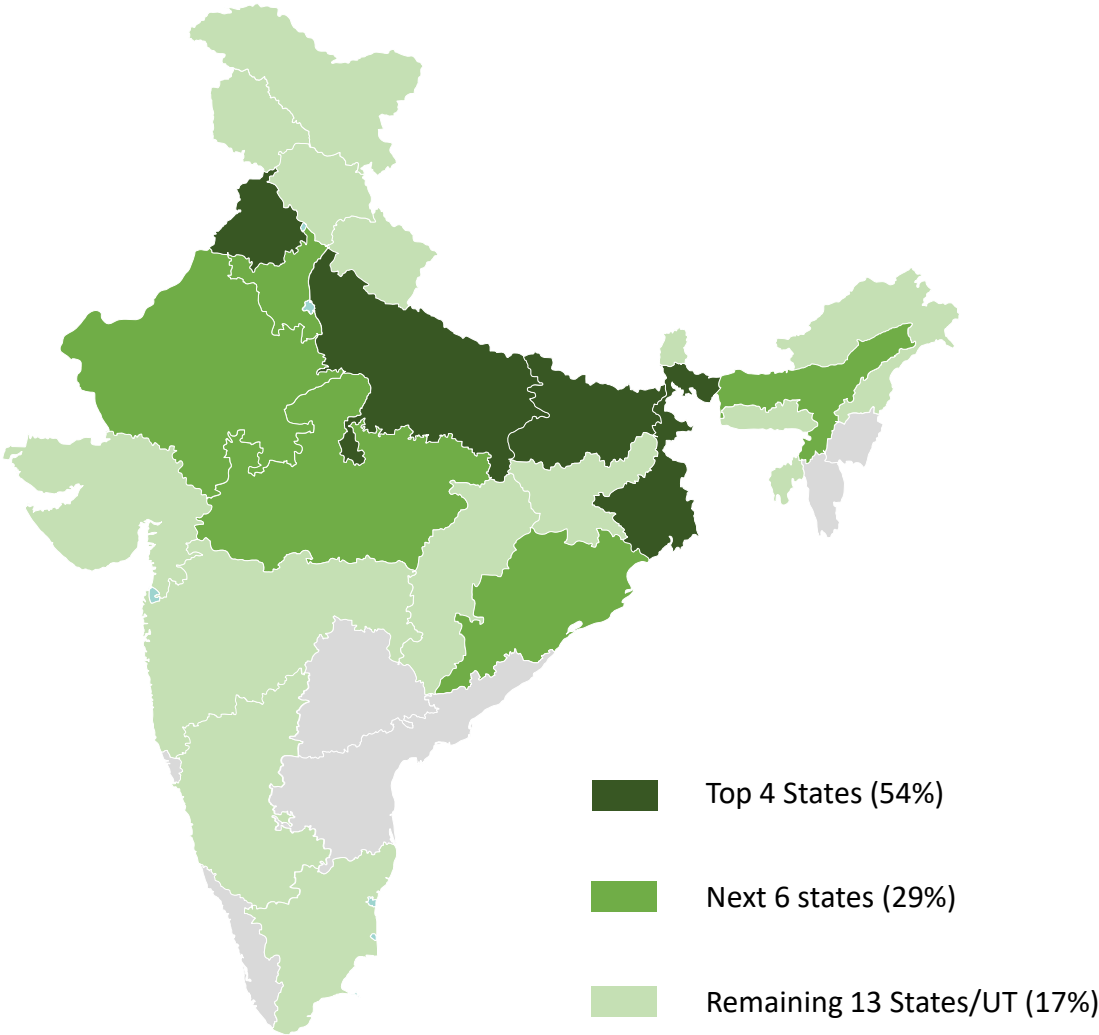
Presence Across

24 States/UT's

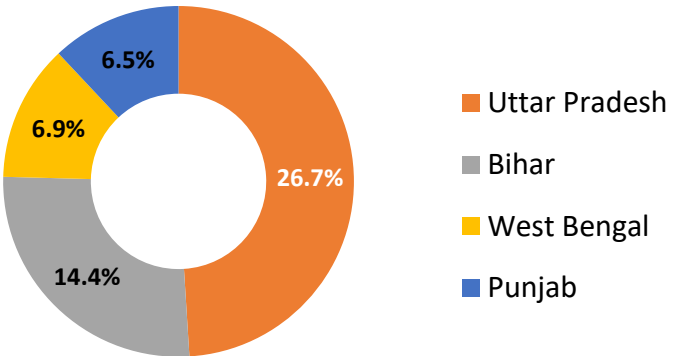
Diversified Geographical Presence



Presence across 24 States and UT's



Top 4 States



96,000

No. of Villages

1,310

No. of Branches

407

No. of Districts

96.1%

Districts with <1% exposure

80

No. of Regional Offices

32 Lacs

No. of Loan Accounts

The pictorial representation of Map of India does not purport to be the Political Map of India

Journey Till Date...



1990

- Date of inception of Satin – October 16, 1990
- Started with individual lending to small businesses; daily collection model



1996-98

- IPO and listing on DSE, JSE and LSE; listed for 27 years
- Registered as NBFC with RBI



2008-10

- Started JLG Model in May 2008
- First private equity investment from Lok Capital
- Reached gross AUM of ~Rs. 169 crore as on Mar'10



2011-13

- Raised capital from Danish Micro Finance and NMI (now Abler Nordic)
- Converted to NBFC-MFI in Nov'13
- Reached gross AUM of ~Rs. 580 crore as on Mar'13



Journey Till Date



2014-16

- Reached gross AUM of ~Rs. 1,056 crore as on Mar'14
- Raised capital from SBI FMO
- Listing on NSE, BSE and CSE
- Raised Rs. 250 crore via QIP



2017-19

- Raised \$10 mn from ADB – its first direct equity investment in a NBFC-MFI in India
- Raised Rs. 150 crore via QIP and Rs. 160 crore via Pref
- Satin Housing Finance Ltd commenced lending in Feb'18
- Reached gross AUM of ~Rs. 5,700 crore as on Sep'16
- Received NBFC license for Satin Finserv Ltd for MSME business



2020-22

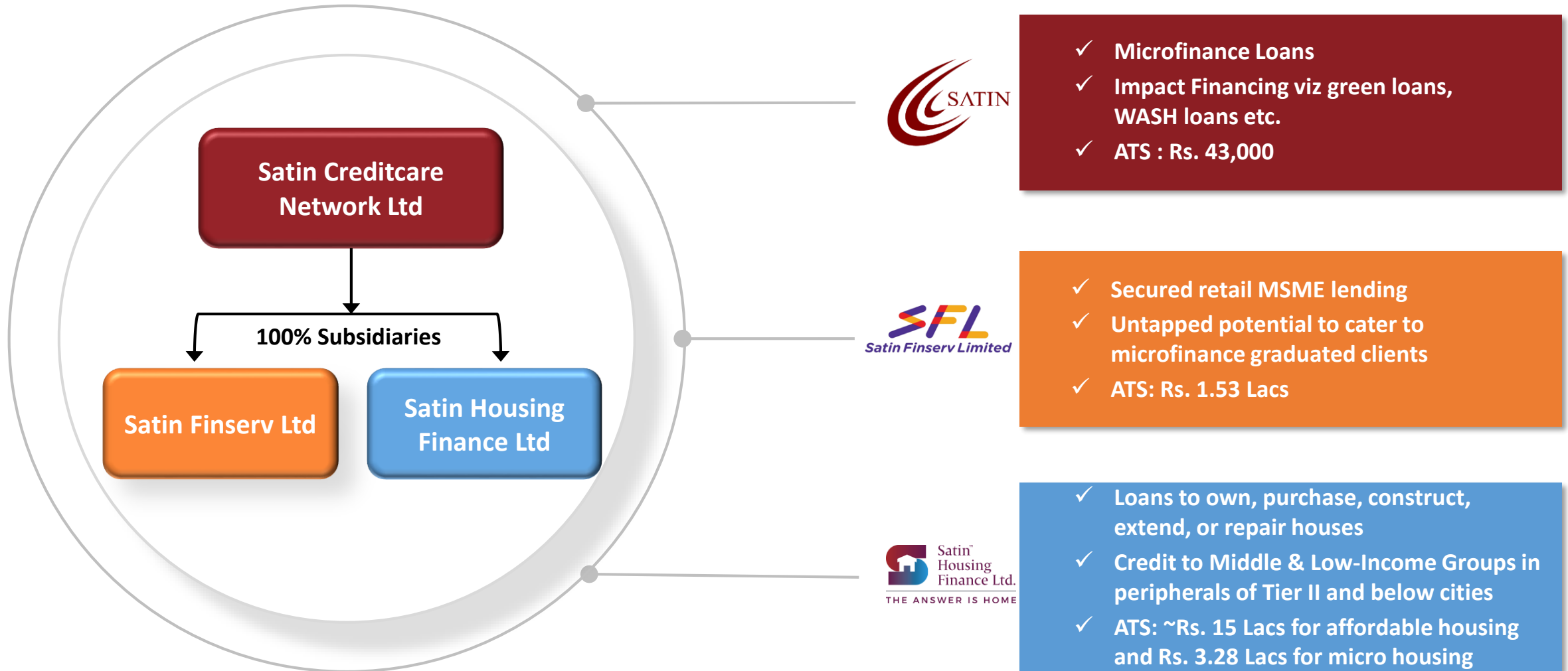
- Raised Rs. 120 crore by Rights Issue
- Raised Rs. 225 crore via Pref

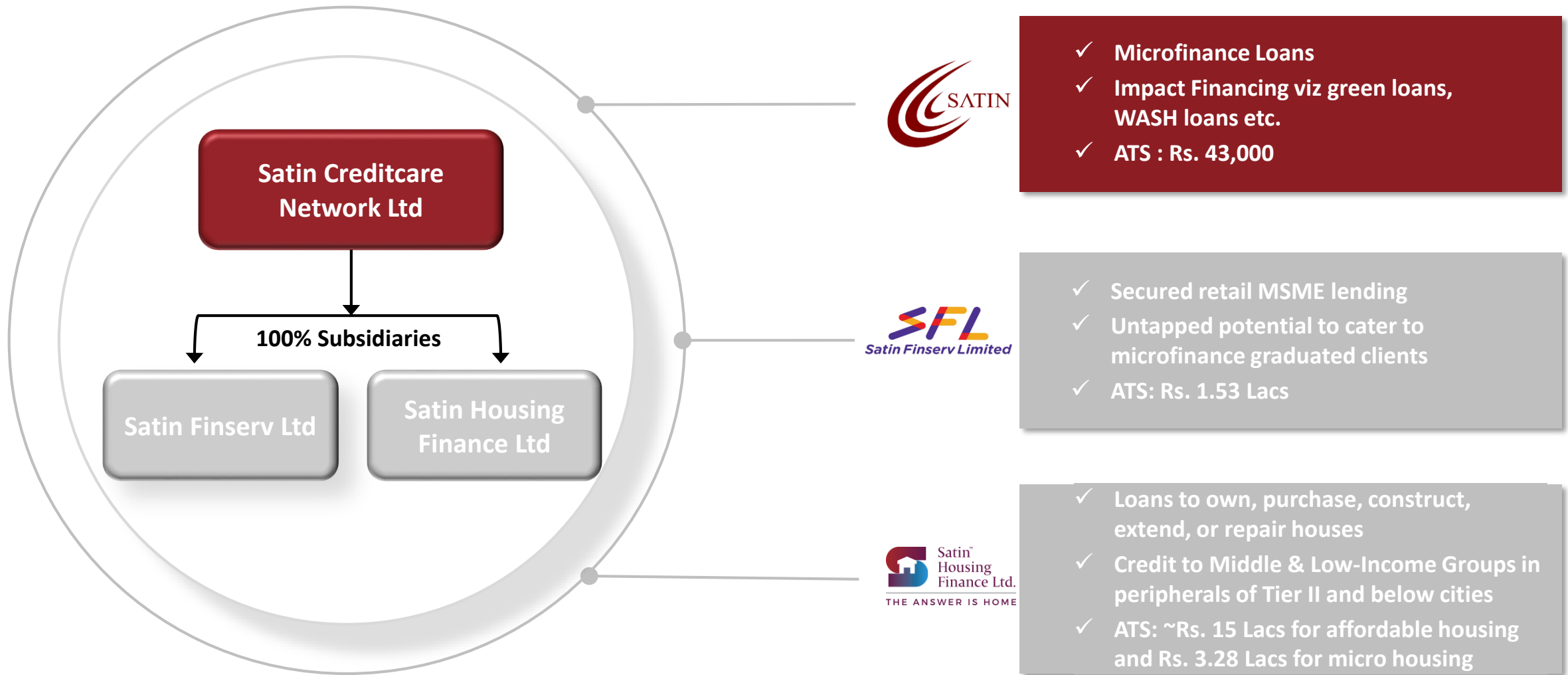


2023

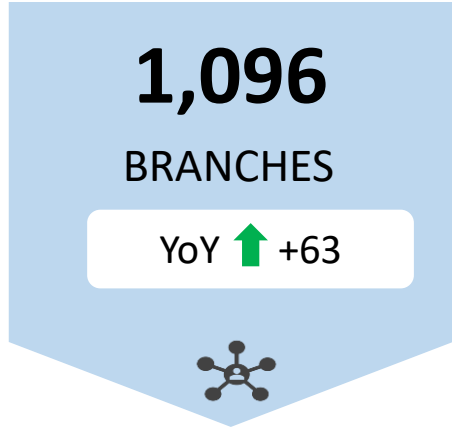
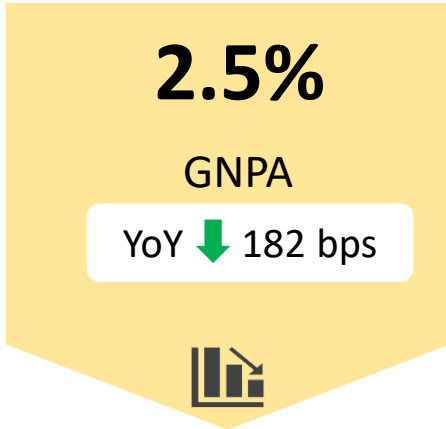
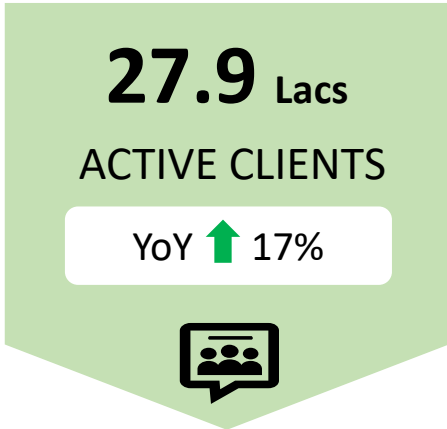
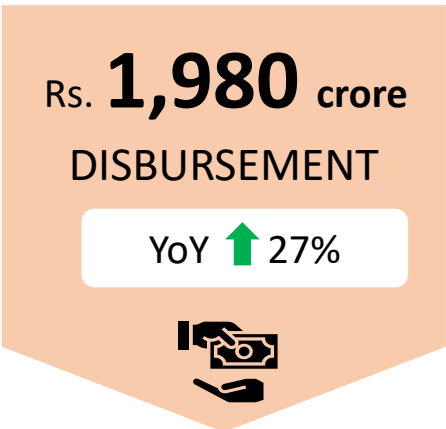
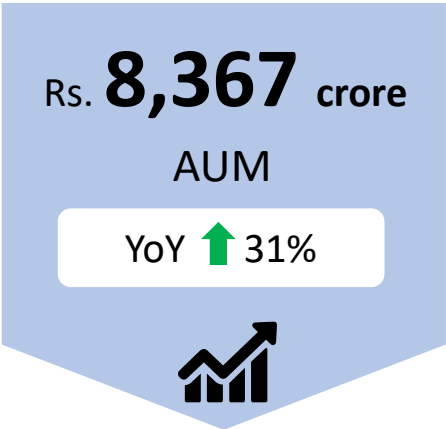
- AUM crossed milestone of Rs. 9,000 crore
- SHFL crossed its first milestone of Rs. 500 crore AUM
- Merger of SFL and TFSL



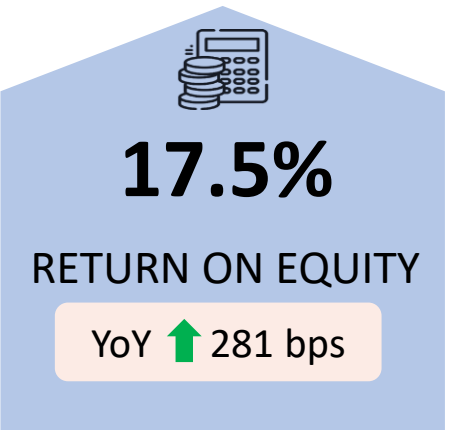
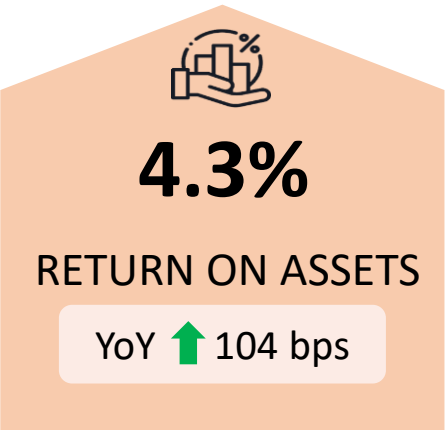
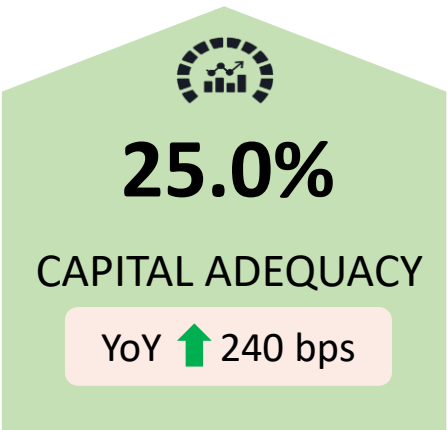
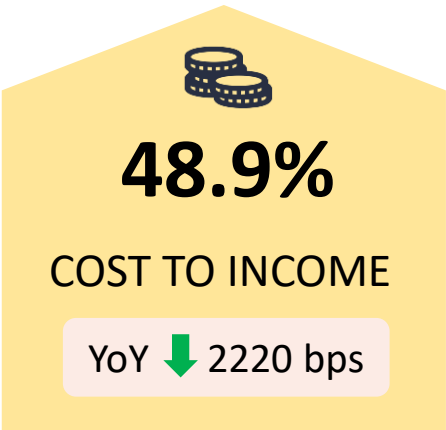
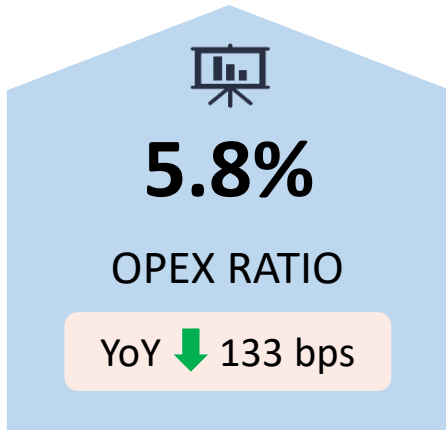




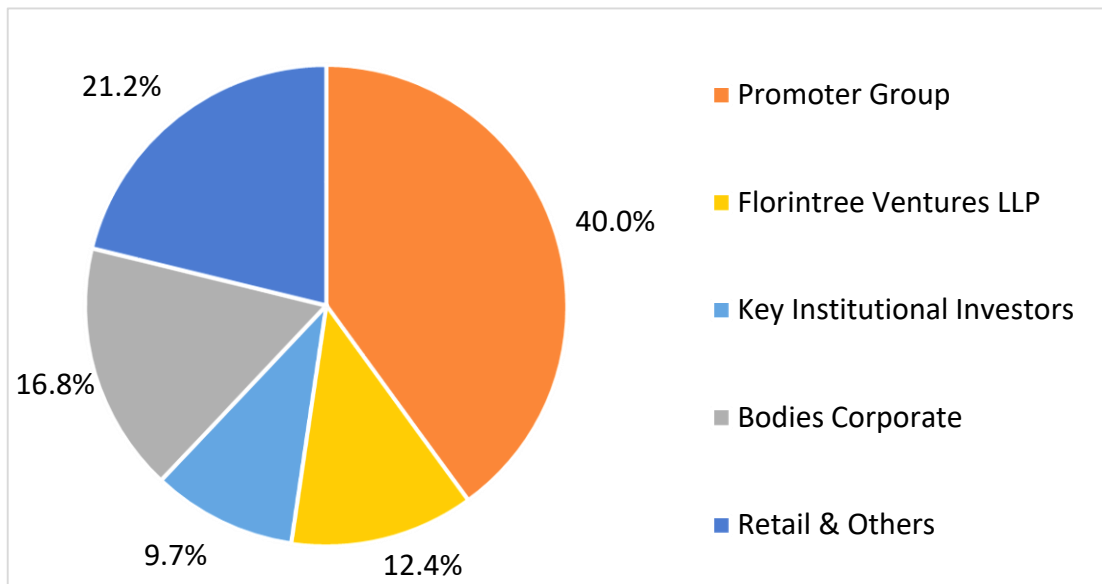
Standalone Snapshot



Operational Efficiencies Playing Out



Our Capital Journey



Market Cap of
~ Rs. 2,100 crore*

Book Value^
Rs. 180/ share

No. of Equity Shares
9.96 crore

No. of Shareholders
24,331

Market Confidence

- 14 rounds of capital raise done since 2008; ability to raise funds even during crisis
- Raised Rs. 1,287 crore since 2008

Skin in the Game

- Capital Infused by promoters at regular intervals at par with incoming investors

*as of end of Aug'23

^on a consolidated basis

HP Singh

Chairman cum Managing Director

- ✓ A law graduate and Chartered Accountant with 40+ years of experience
- ✓ Also participated in Harvard Business School's Accion Program on Strategic Leadership for Microfinance in 2009, as well as the leadership program organized by Women's World Banking at Wharton Business School, University of Pennsylvania in 2011
- ✓ A veteran in lending, notably in financial inclusion and innovation
- ✓ Serves as Chairman of Sa-Dhan, and member of the Banking and Financial Institution Committee in FICCI
- ✓ His role involves strategic thinking, motivating, mentoring, and crisis handling



Our Strengths



**Strong & Experienced
Management Team**

**Diversified Geographical
Reach**



**Diversified Financial
Products catering to rural
India through our
subsidiaries**



**Very Strong Data Analytics
Approach**



**Strong Underwriting
Capability**

**State of the Art
Technology backed by
robust IT infrastructure**



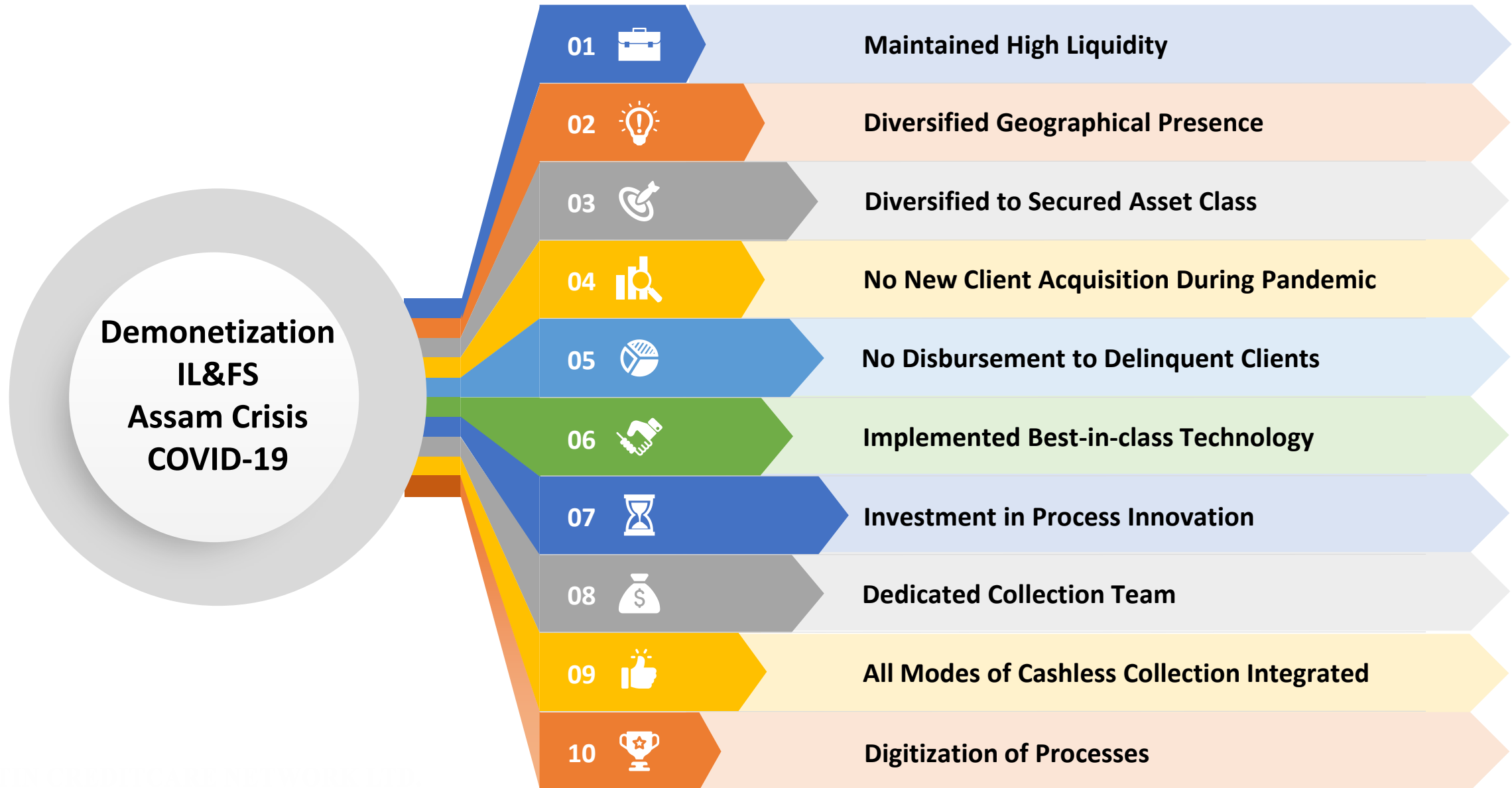
**Process Innovation
leading to operation
excellence**

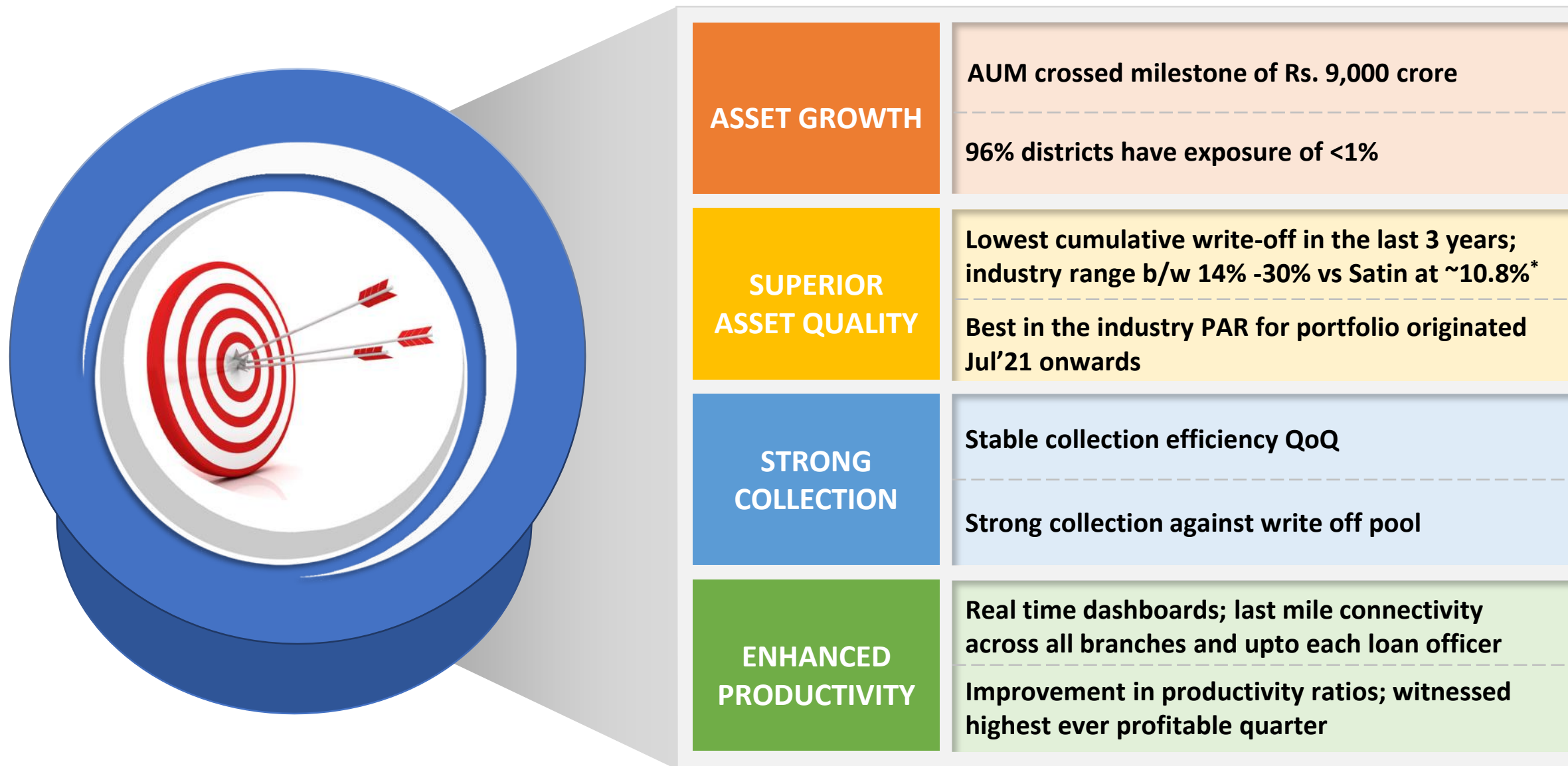


**Robust Risk Management
Framework**



Weathered Multiple Crisis Through Our Resilient Approach





Strong Management Team with over 250+ years of Experience



HP Singh

Chairman cum Managing Director



Aditi Singh

Head - Strategy



Anil Kwatra

Head - Operations



Sunil Yadav

Head – IT



Dhiraj Jha

CRO



Subir Roy Chowdhury

CHRO



Jugal Kataria

Group Controller



Manoj Agrawal

Deputy CFO



Bhuvnesh Khanna

President - SFL



Amit Sharma

MD & CEO - SHFL



Sachin Sharma

CFO - SHFL



Arjun Bansal

CFO - SFL



Shweta Bansal

DGM – IR

Anil Kwatra

Head - Operational Excellence & Innovation

- ✓ An accomplished financial services professional with over 15 years of experience in the field of Sales & Operations
- ✓ Known for his collaborative leadership style, ability to align strategic goals with day-to-day operations, and foster a culture of innovation
- ✓ Leads the operational excellence, process reengineering, and business intelligence
- ✓ After completing his Masters in Marketing Management, has worked with organizations like ICICI Prudential Life Insurance, Indiabulls Financial Services, Max life Insurance & Bharat Financial Inclusion Ltd



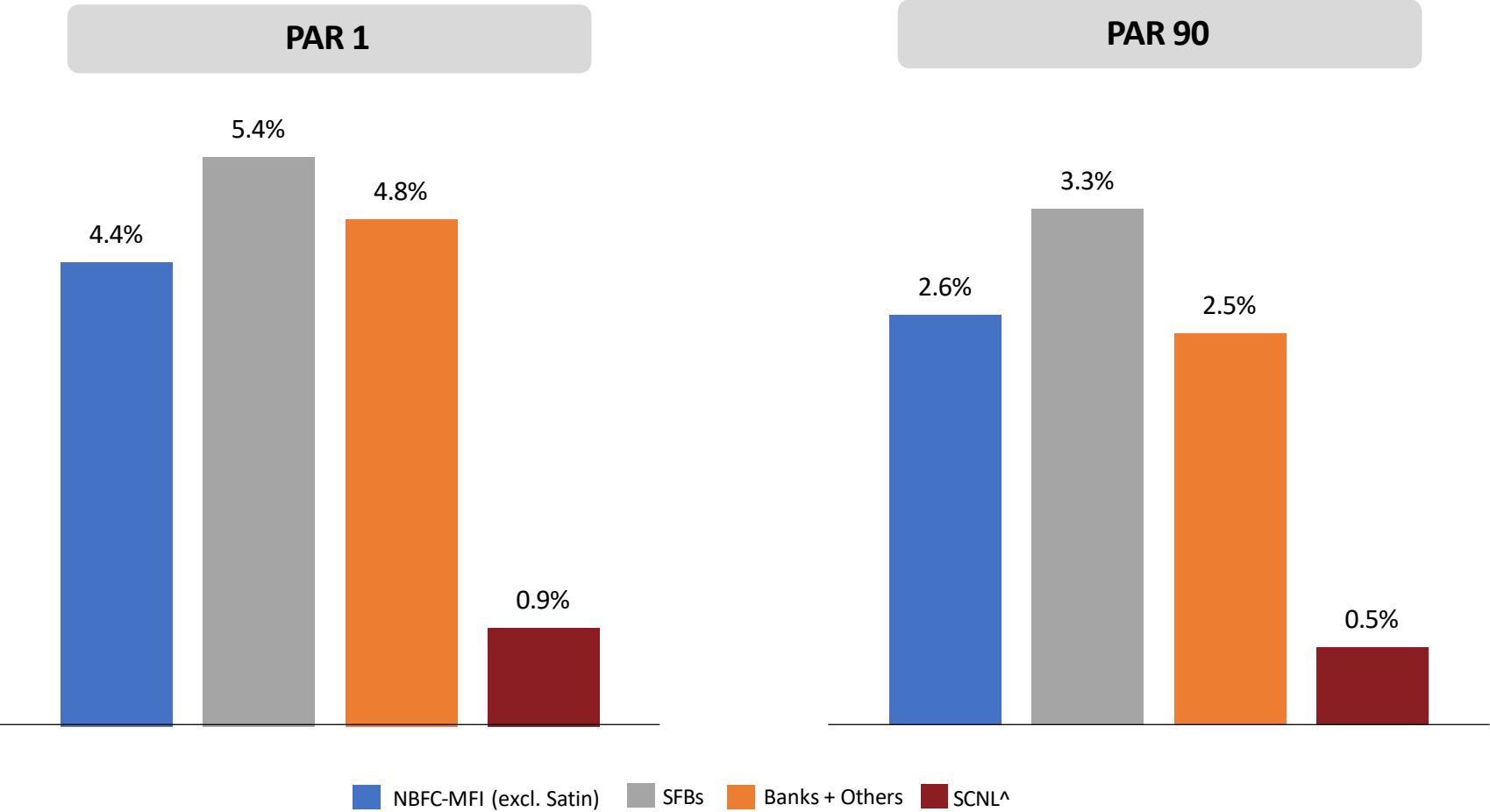
"The Business of Lending is just not about **LENDING** but also about **COLLECTION**"



Best Portfolio Quality in the Industry



Portfolio originated Jul'21 onwards showing excellent performance



SCNL
0.9%
PAR 1

SCNL
0.5%
PAR 90

^Data of SCNL for JLG on-book portfolio

Data available as on May'23

Source: As per CRIF Highmark

Pillars Upholding the Portfolio Quality



- Credit bureau & Application based scorecards
- Detailed HH Assessment
- No disbursement to Overdue customers
- Pin codes flagging

Stringent Underwriting guidelines



- Digitized onboarding
- Strong pre & post sourcing and disbursement controls
- OTP based validations
- KYC authentication

Effective Client Onboarding Process



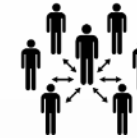
- Timely problematic center identification
- Identification of Early warning signals
- Surprise Centre visits
- Refresher CGTs

Effective Credit Discipline Mechanism



- Mandatory mid-day reviews on collection
- Subsequent supervisory visit

Real Time Review Mechanisms



- Branch & Loan officer grading
- Center & client level grading
- Analyzing repayment patterns of clients

Strong Data Analytics



- Dedicated teams to address delinquency in various buckets
- Rigorous follow-ups
- Centralized tele-calling unit

Efficient Delinquency Management



Vital Pillars Holding Satin Strong



Our Human Capital

Robust Operational Structure

- ❑ Well thought out hierarchy
- ❑ Logically built spans & key control areas

Quality-centric Incentive

- ❑ Dynamic incentive structures
- ❑ Portfolio quality oriented annuity schemes

Training

- ❑ Activity based training/induction programs for the new joiners
- ❑ “Train the Trainer” program successfully executed for mid level managers

Our Customers

Products & Flexibility

- ❑ Loan size & tenure flexibility
- ❑ Products designed as per customer's needs
- ❑ All possible modes of cashless collections are available

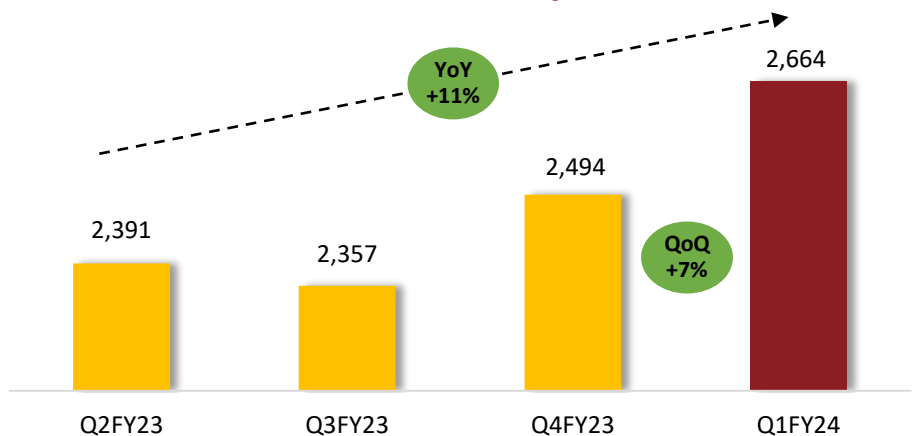
Customer Connect

- ❑ Financial literacy trainings
- ❑ Robust CGRM
- ❑ Health camps
- ❑ Services like Doc online & Hospicash, aiding customer's lives

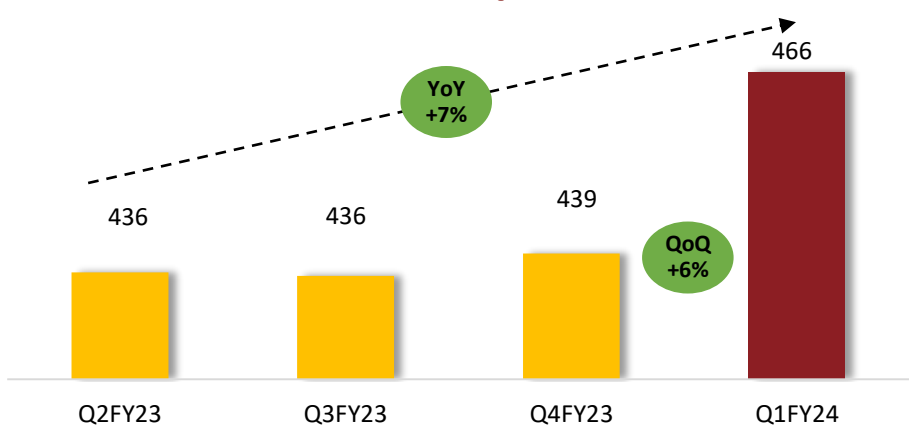
Improving Operational Efficiencies



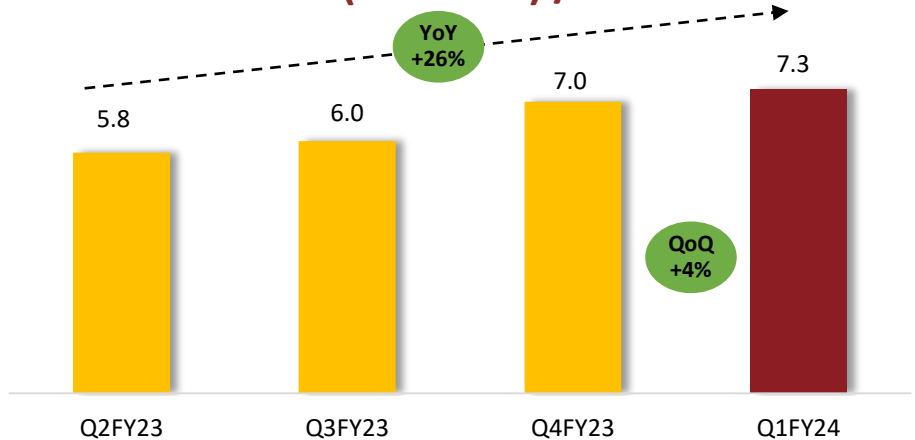
Loan Accounts / Branch



Loan Accounts / Loan Officer



GLP (Rs. crore) / Branch



GLP (Rs. crore) / Loan Officer



~31% of clients have Satin as the only lender
57% second cycle and above clients

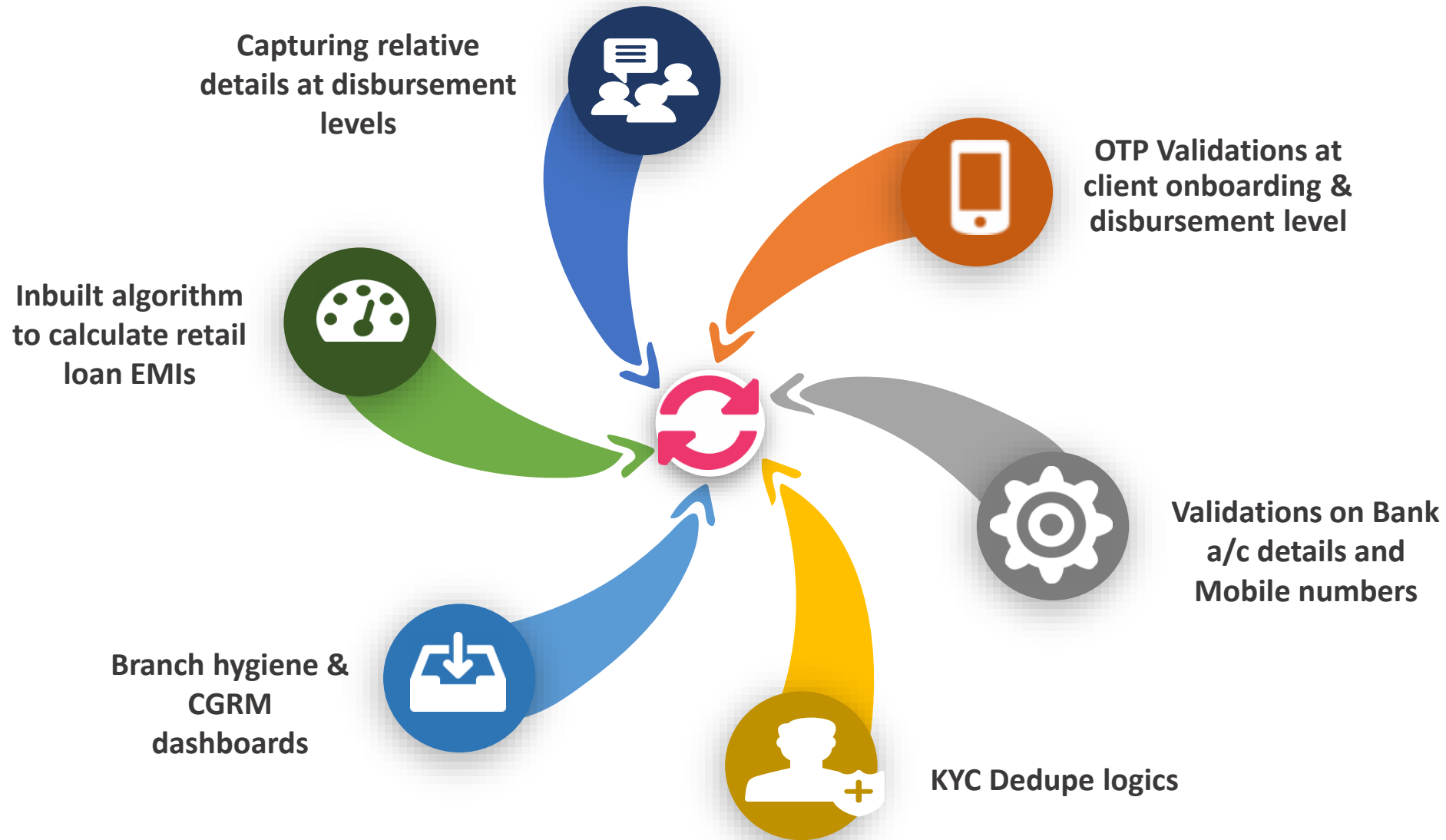
PROCESS: The Core of Satin



- ❑ *Well stitched customer acquisition journey with detailed modules on CGT, GRT, House Survey & LUC (all GEO tagged)*
- ❑ *Dynamic repayment schedule for clients – Making life easy for clients & Loan officers*
- ❑ *Centralized Shared Service – Data & documentation hygiene*
- ❑ *SOPs on Branch opening & closures, product launches and system integrations*
- ❑ *Dedicated team in the field to review, track & monitor the process adherence & compliance to all regulatory guidelines*
- ❑ *Business Intelligence unit that closely watches the competition, communicates & downloads business plans & strategies to the field ,closely monitors the execution*
- ❑ *Systematic risk based branch opening/geography selection framework*



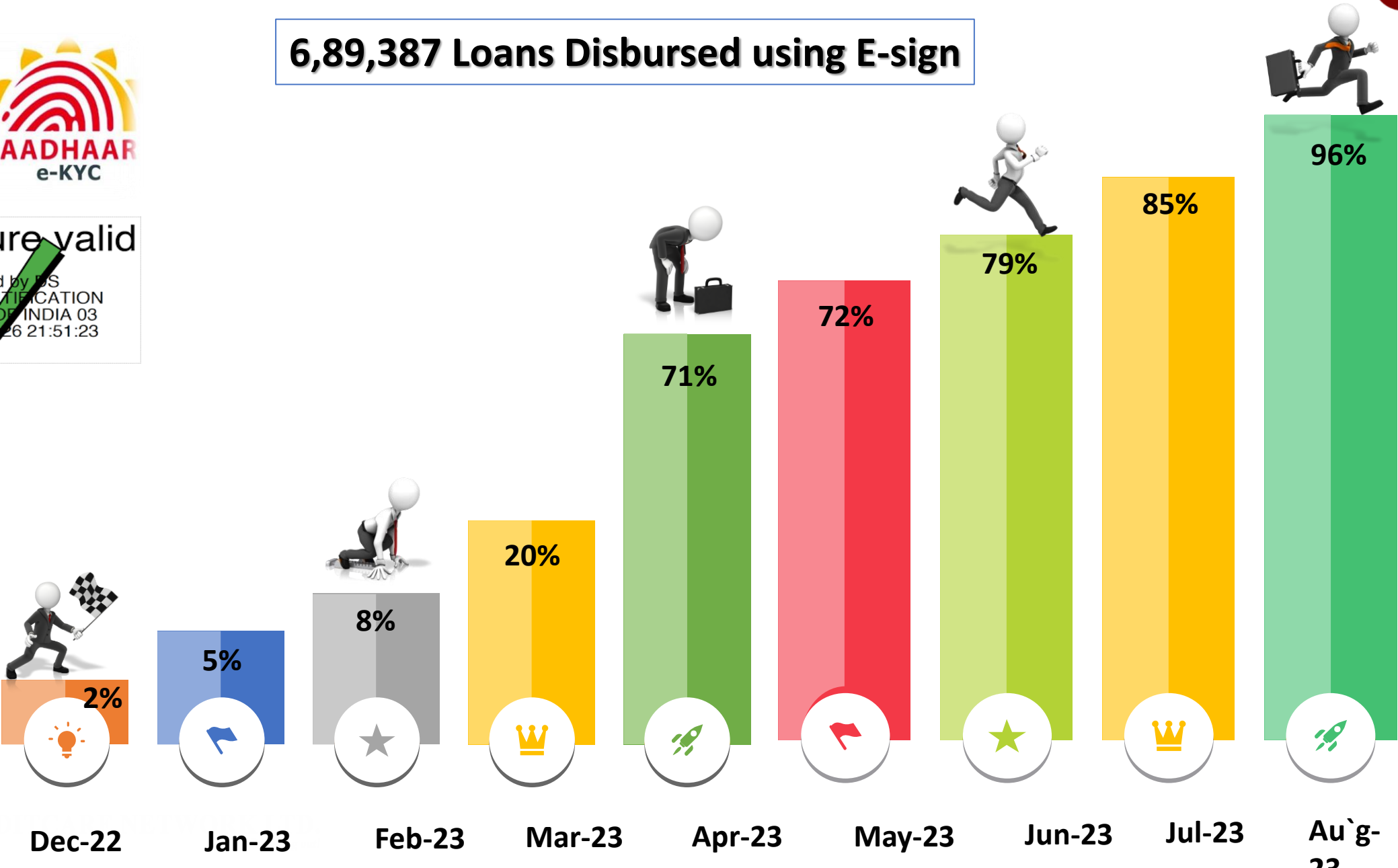
Operational Capabilities Backed by Robust Processes



Digital documentation & Authentication Journey : e-Sign



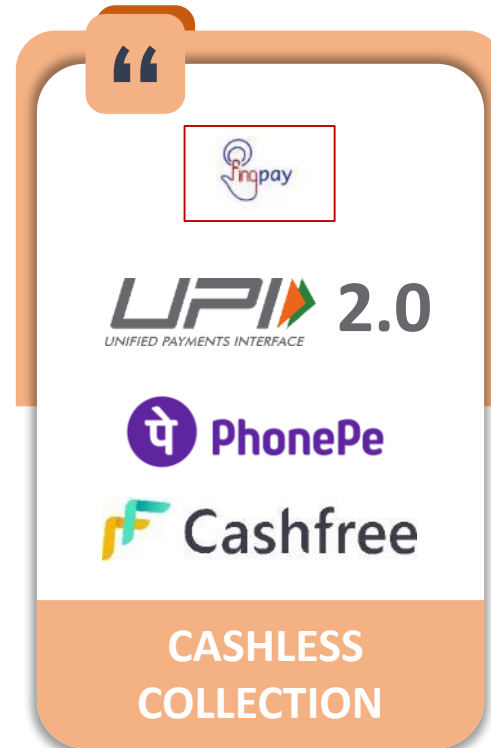
6,89,387 Loans Disbursed using E-sign



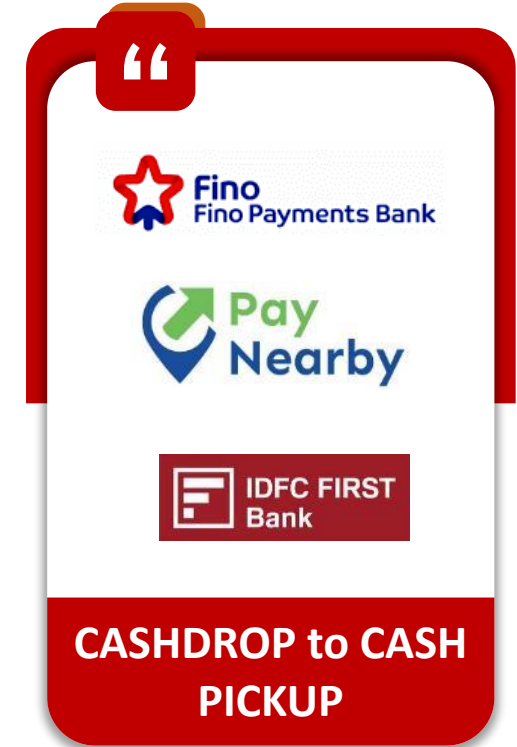
Our Disbursement & Collection Enablers



- ❑ 100% Cashless Disbursement post bank validation
- ❑ Seamless transfer of Loan amount directly to the bank account of customer.

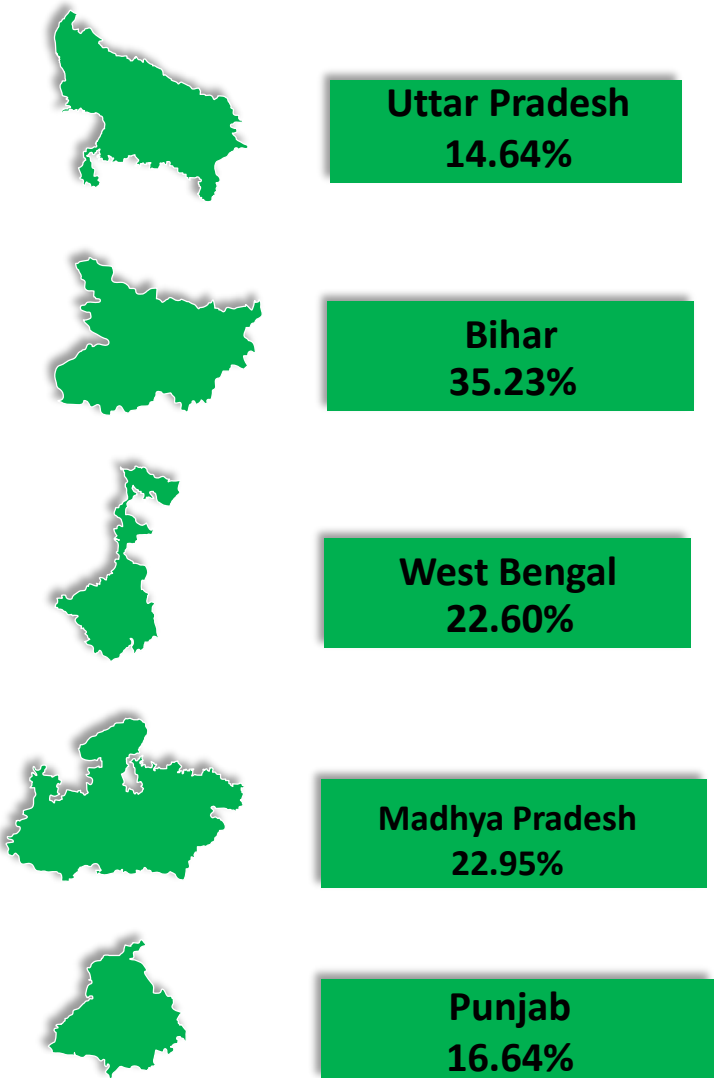
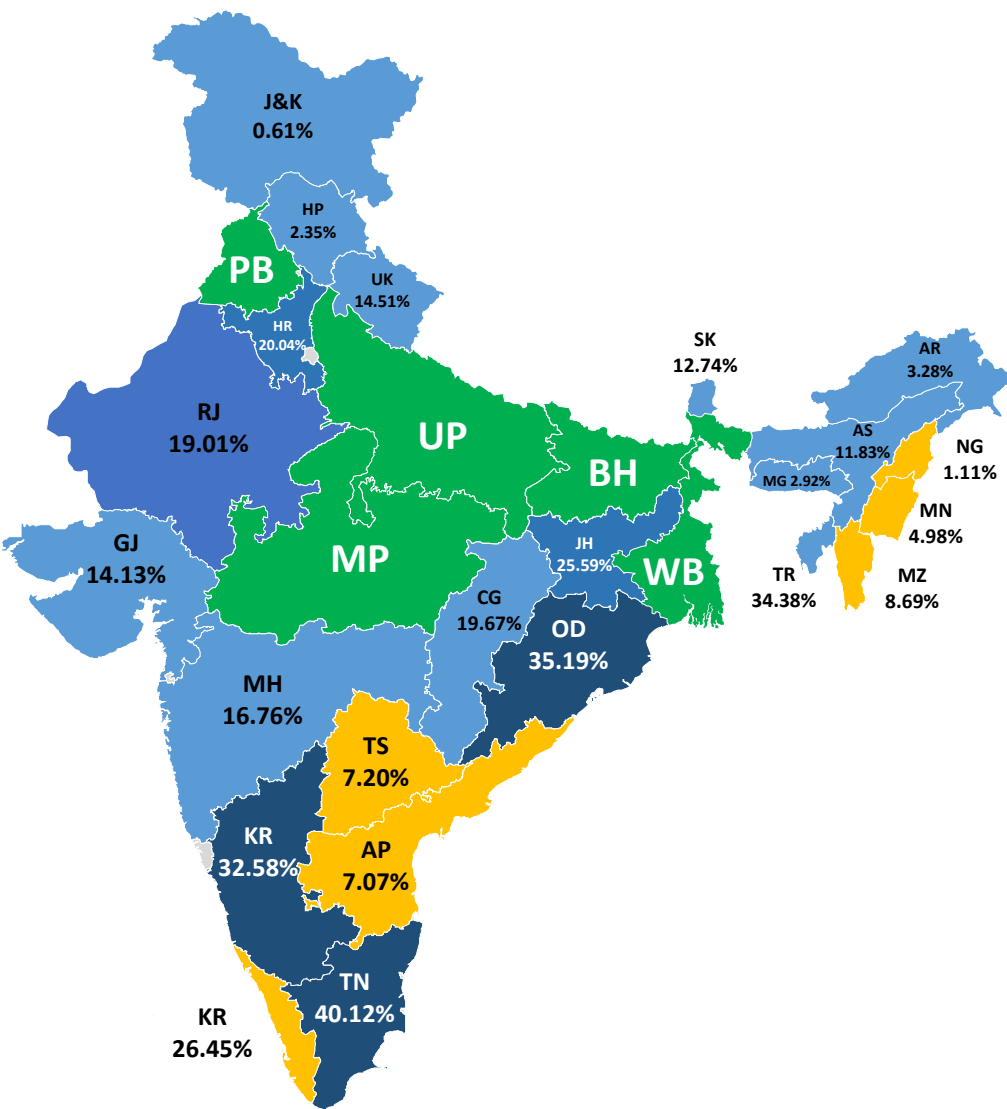


- ❑ Different modes of Cashless Collections: CSA, QR Code on Loan Card, Website based payment, UPI 2.0 (Auto Debit)



- ❑ Cash Drop partners supporting the branches in daily cash deposit
- ❑ Improving field efficiencies

Growth Ahead for Satin: State Level Industry Penetration

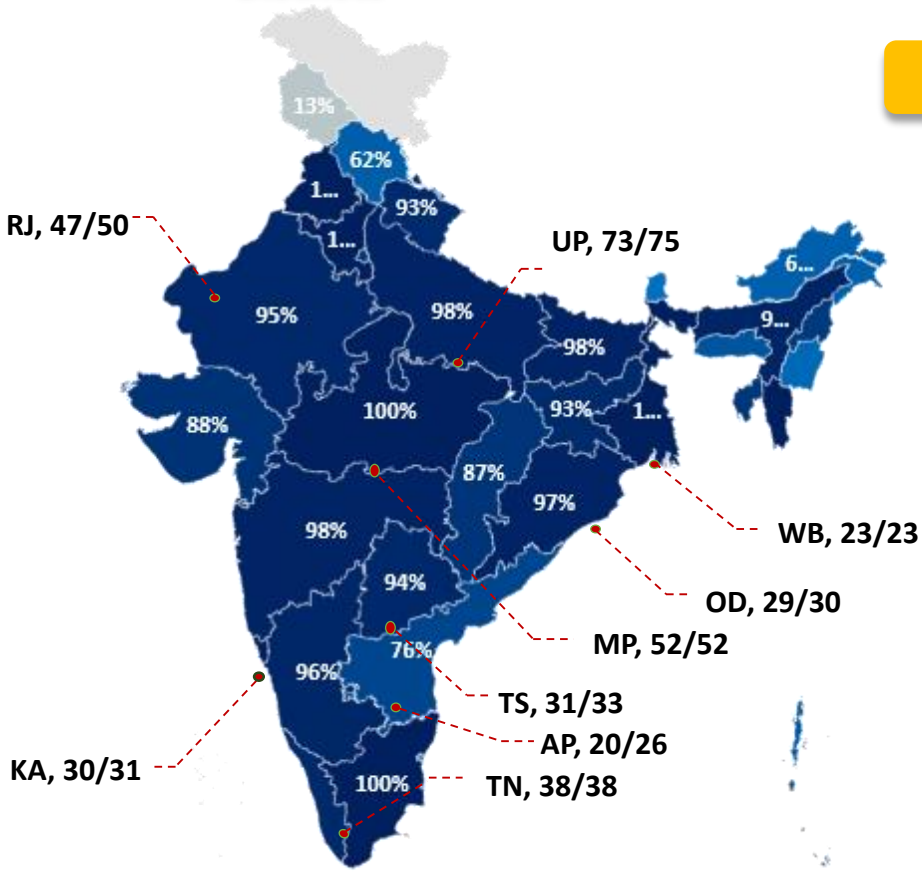


Growth Ahead for Satin: District Level Penetration



Industry's Presence

**729 (95%)
Districts**

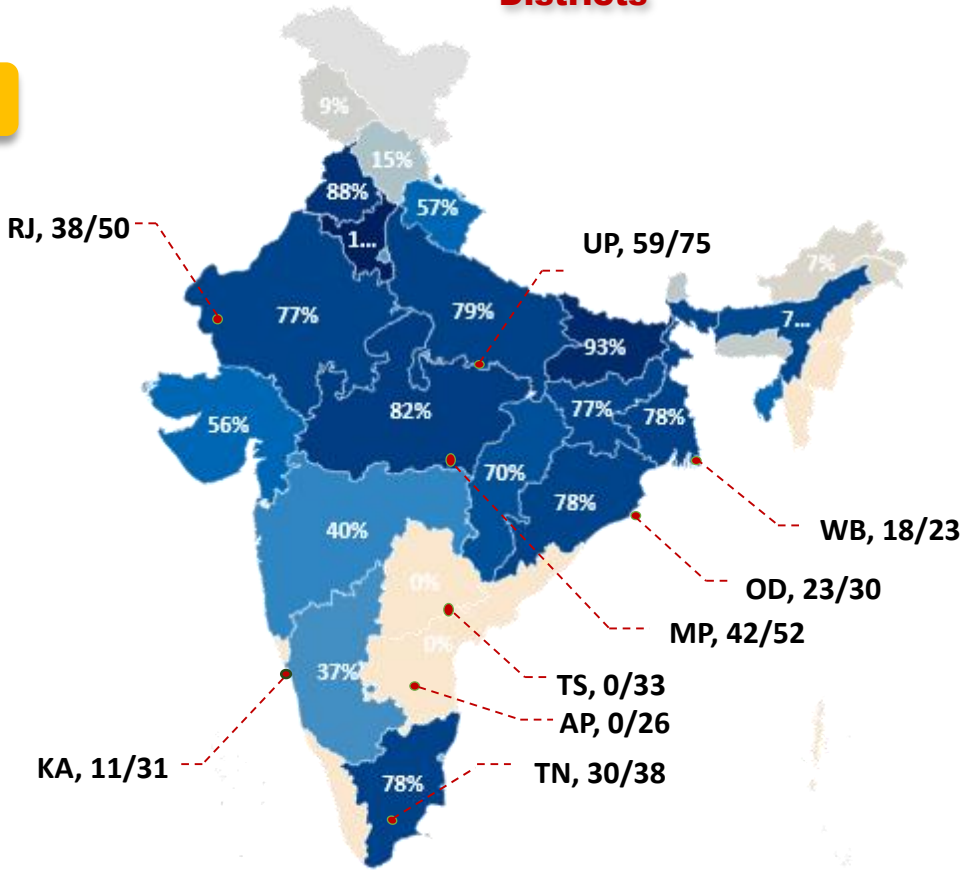


Total Districts in India

766

SATIN's Presence

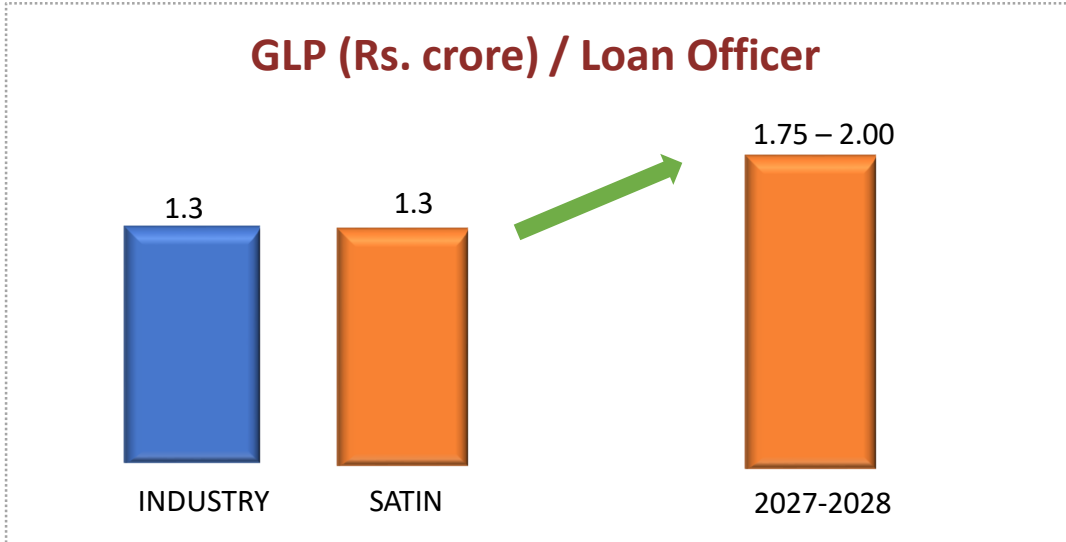
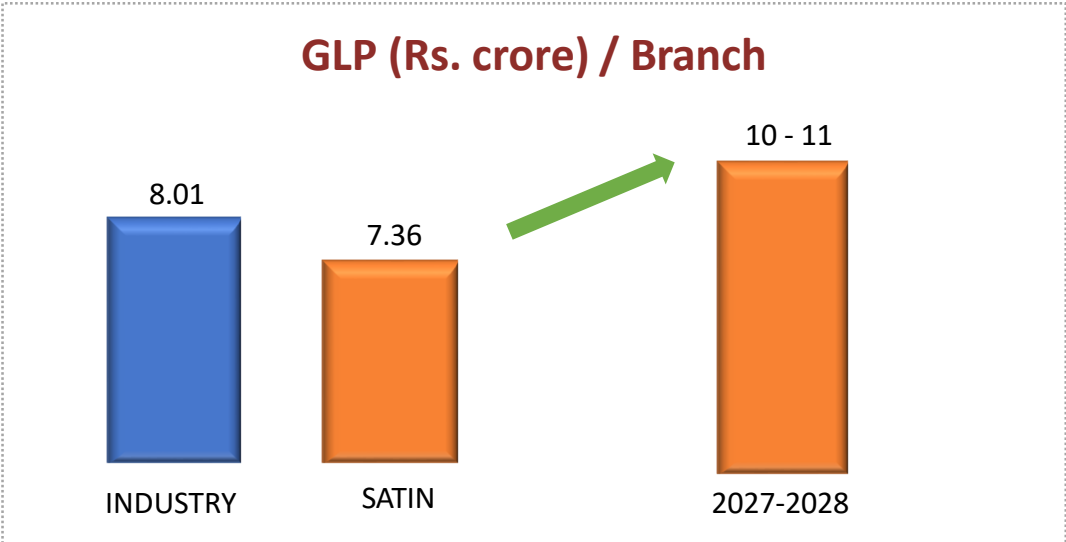
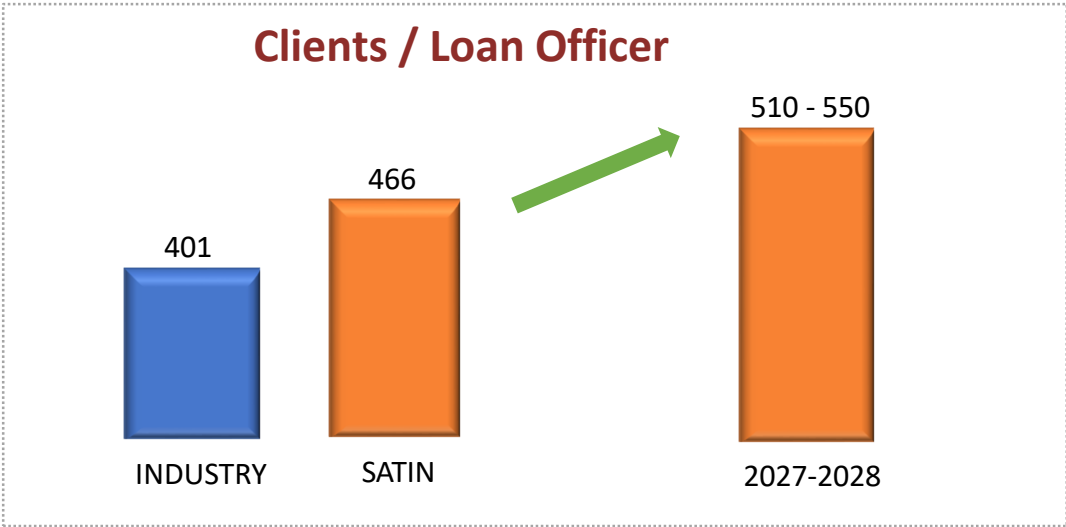
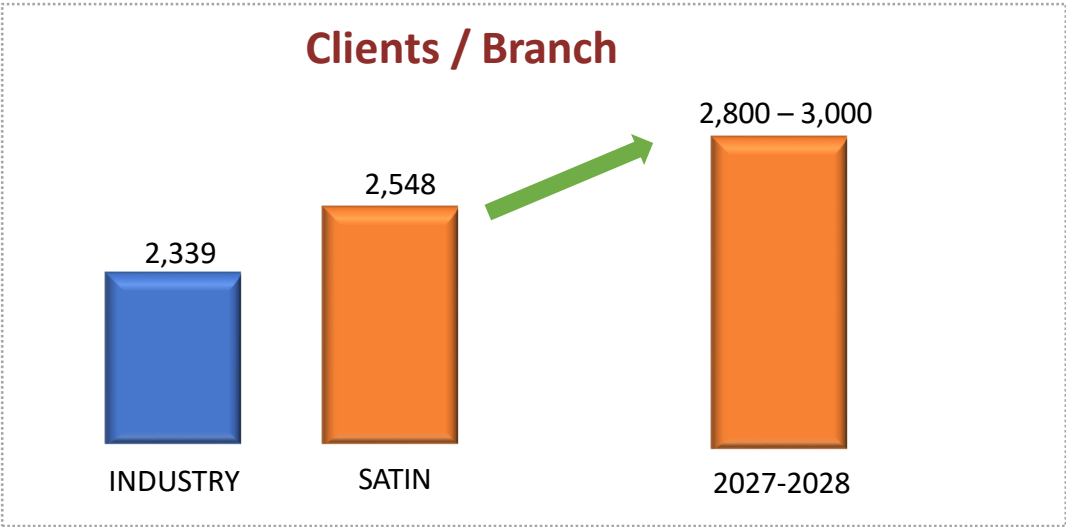
**407 (53%)
Districts**

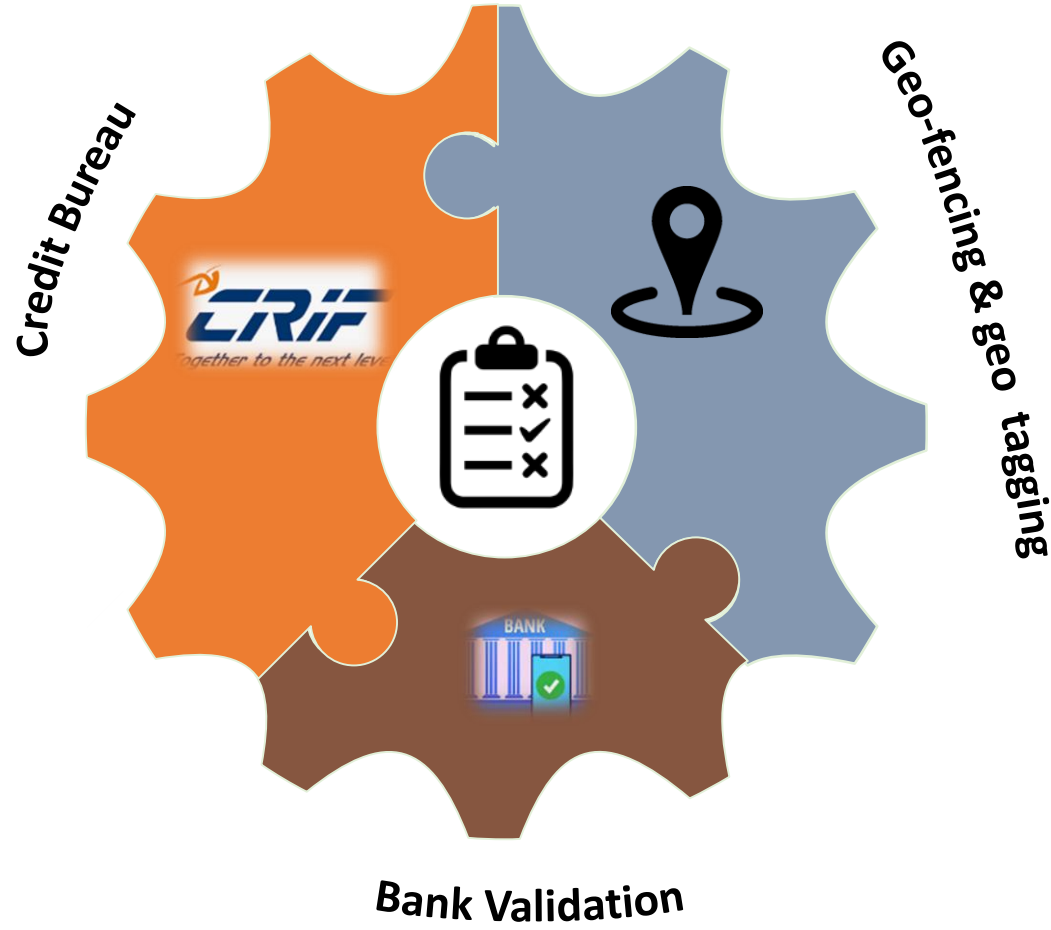
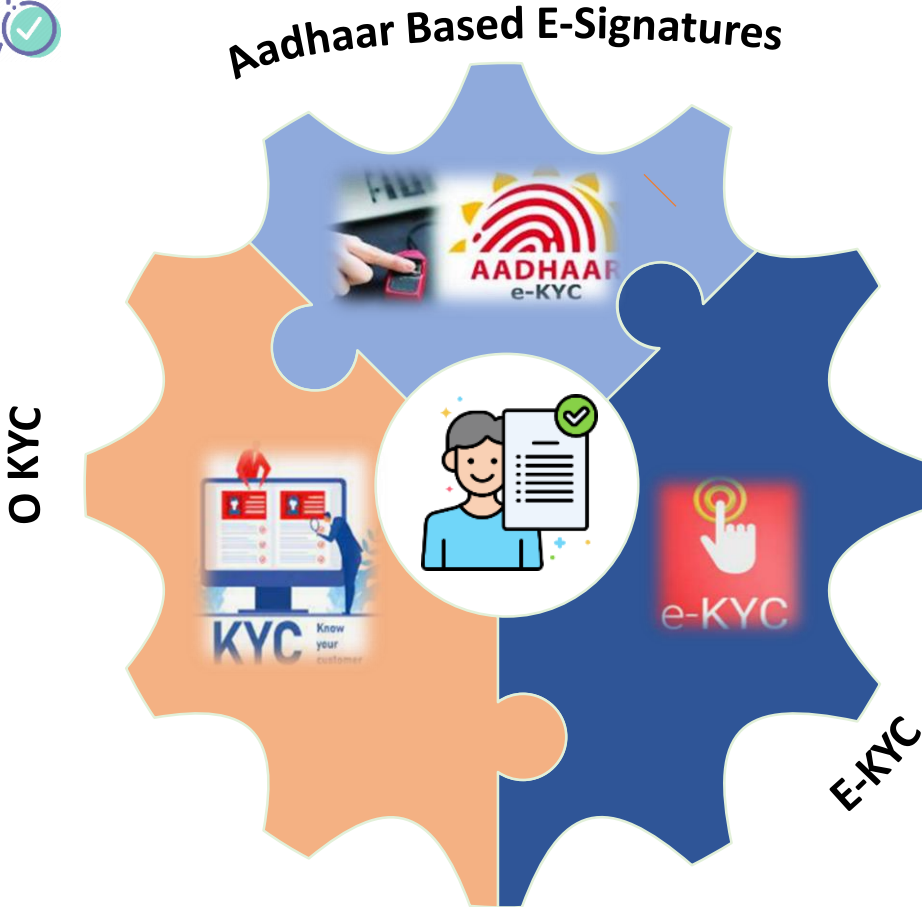


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Building Best in Class Operational Efficiencies





Sunil Yadav

Head – Information Technology

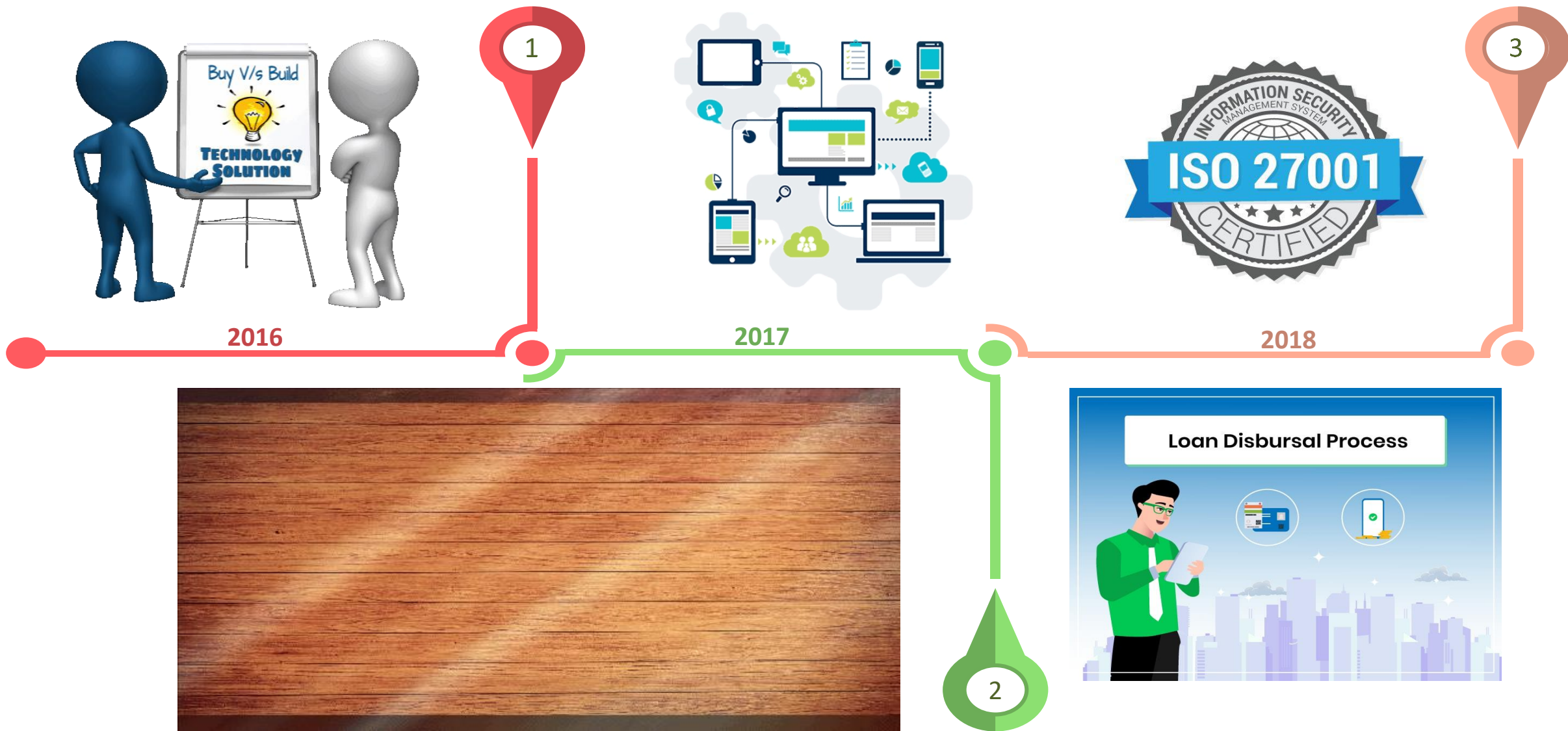
- ✓ A Masters in Computer Science from GJU, Hisar and Advanced Post Graduate in Artificial Intelligence from IIT Roorkee, carrying over 12 years of experience in the Banking and Finance industry and across its various functions
- ✓ Spearheaded the digital transformation of the organization and has been instrumental in building a technology team responsible for building in-house futuristic, state of the art solutions
- ✓ Skilled in Enterprise Solution Architecture, IT Security, Technology Leadership, Product Management and converting business needs into system design and execution
- ✓ Worked with organizations like Emvantage Payment Private Limited (acquired by Amazon Payments), ACI Worldwide and Signet Payments (acquired by IRCTC)



Legacy System (Till 2017)



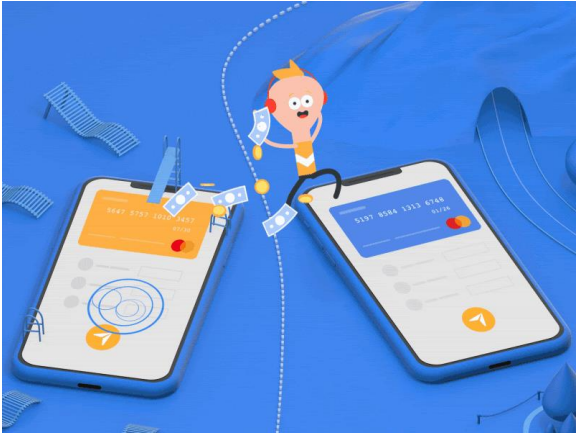
Technology Transformation Journey @ SATIN



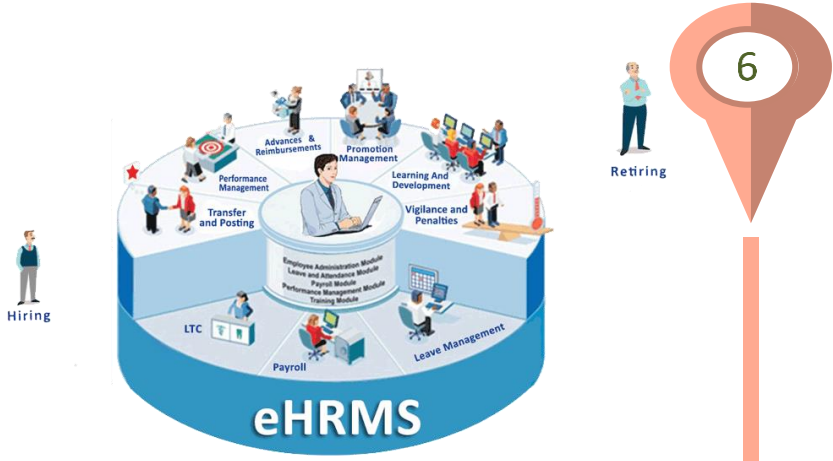
Technology Transformation Journey @ SATIN



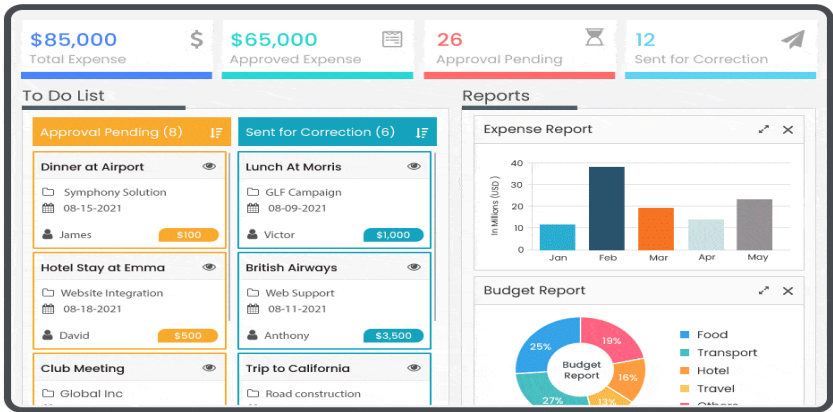
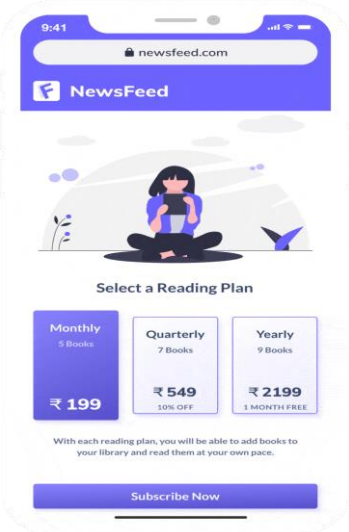
2019



2020



2021



Technology Transformation Journey @ SATIN



Technology Transformation Journey @ SATIN



Loan Origination System

1

LOAN ORIGATION SYSTEM

A Loan Origination System (LOS) software is used for processing loan applications and administering end-to-end loan transactions.

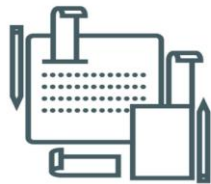
Loan Management System

2

Loan Management Application

Accounting & Finance Module

3



ACCOUNTING SYSTEM



Expense & Vendor Management

4



Human Resource Management Solution

5



Audit & Risk Module

7



Funding & Borrowing Module

6

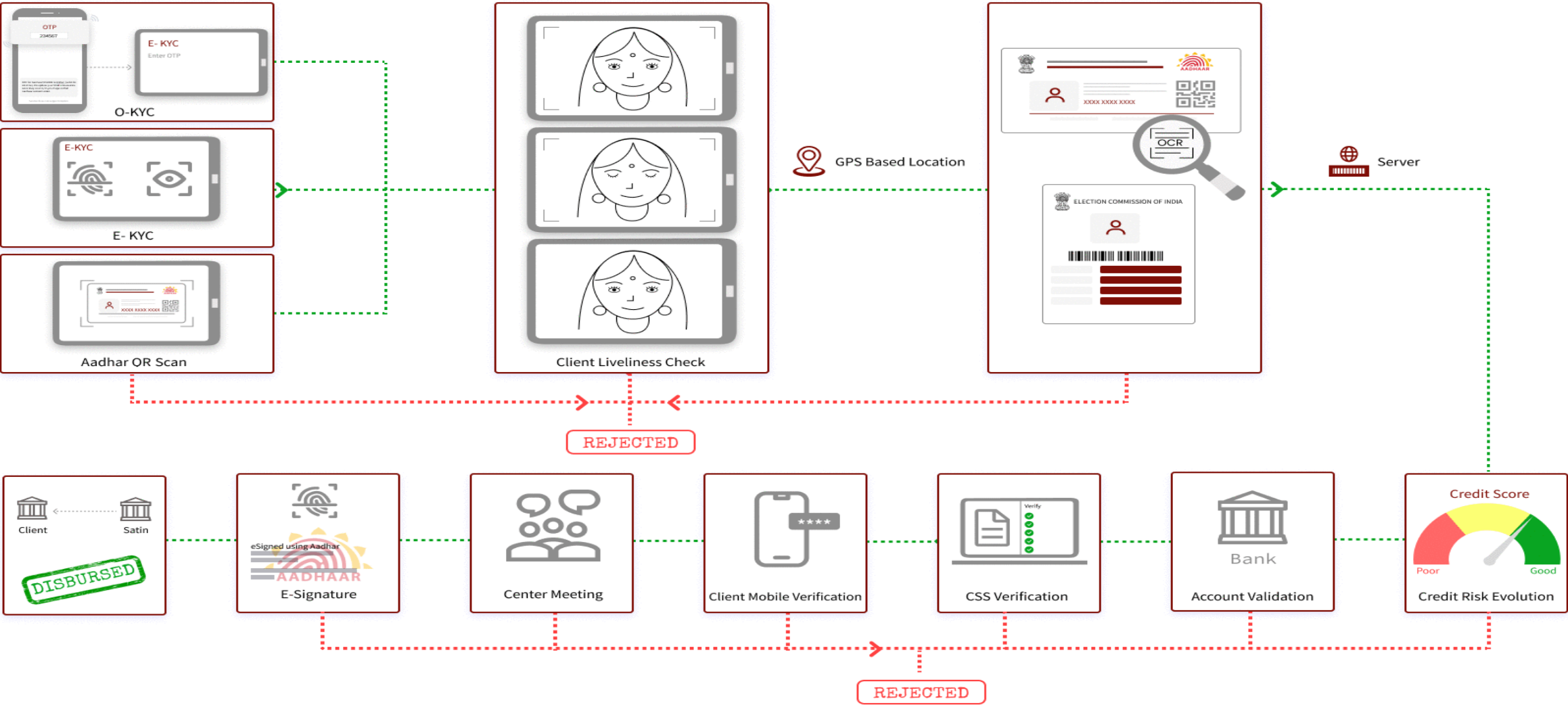


Support & Learning Management

8



Customer Onboarding Process



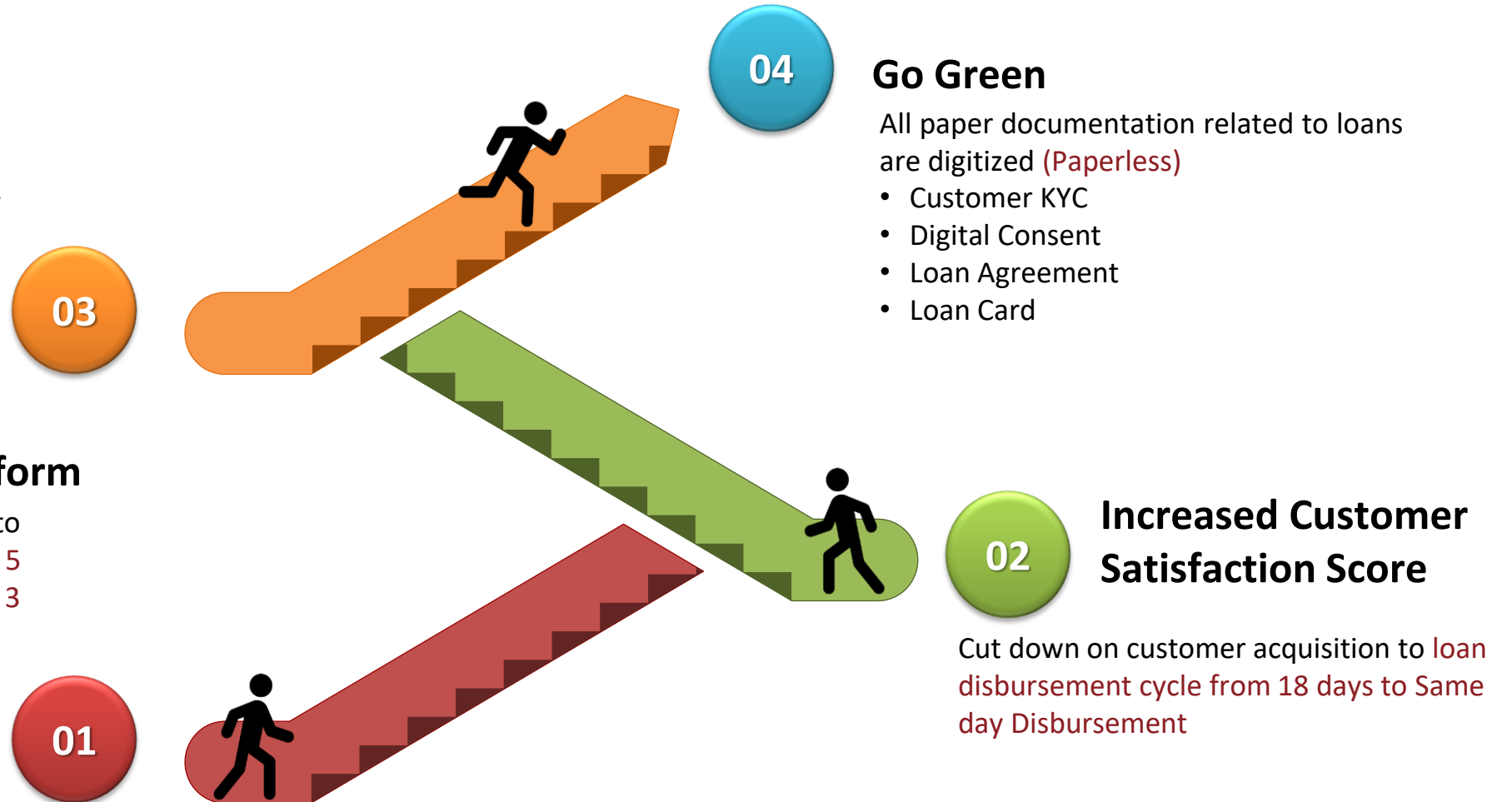
Organization Impact

New platform provides

- Significant Process Controls
- Increased Operational Efficiency
- Information Accuracy

Mobile Technology Platform

Introduced last mile technology to our 8,000+ workforce in Tier 4 & 5 villages to address needs of 3 million+ customers



Instant Bank Account Verifications

Customer account verified on real-time basis

Geo-Fencing & Tracking

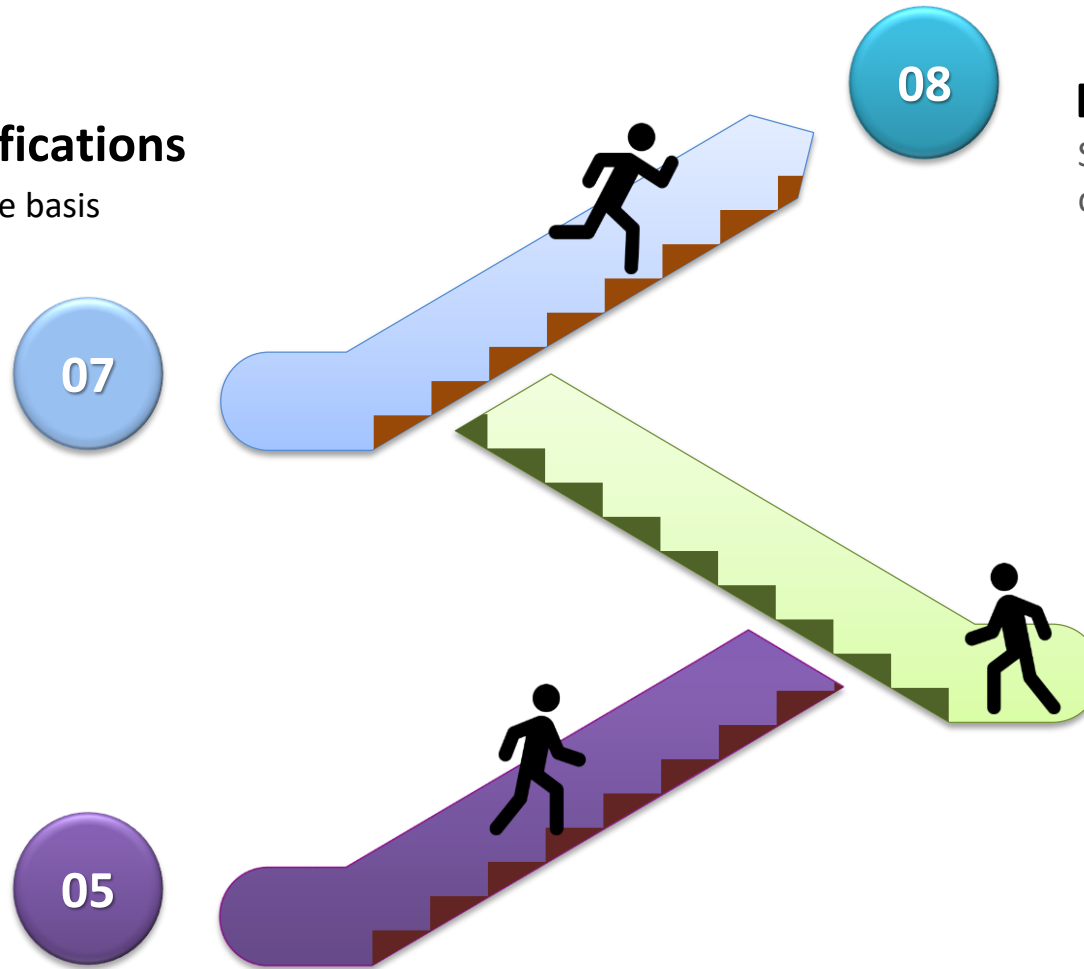
Event based mapping of Geo Location for better control & traceability of workforce

Enabling Brand Recall Value

SMS & App based Customer notification at different touch points

Real-time Credit Checks & Customer Profiling

Real-time credit checks in Tier 4/5 villages



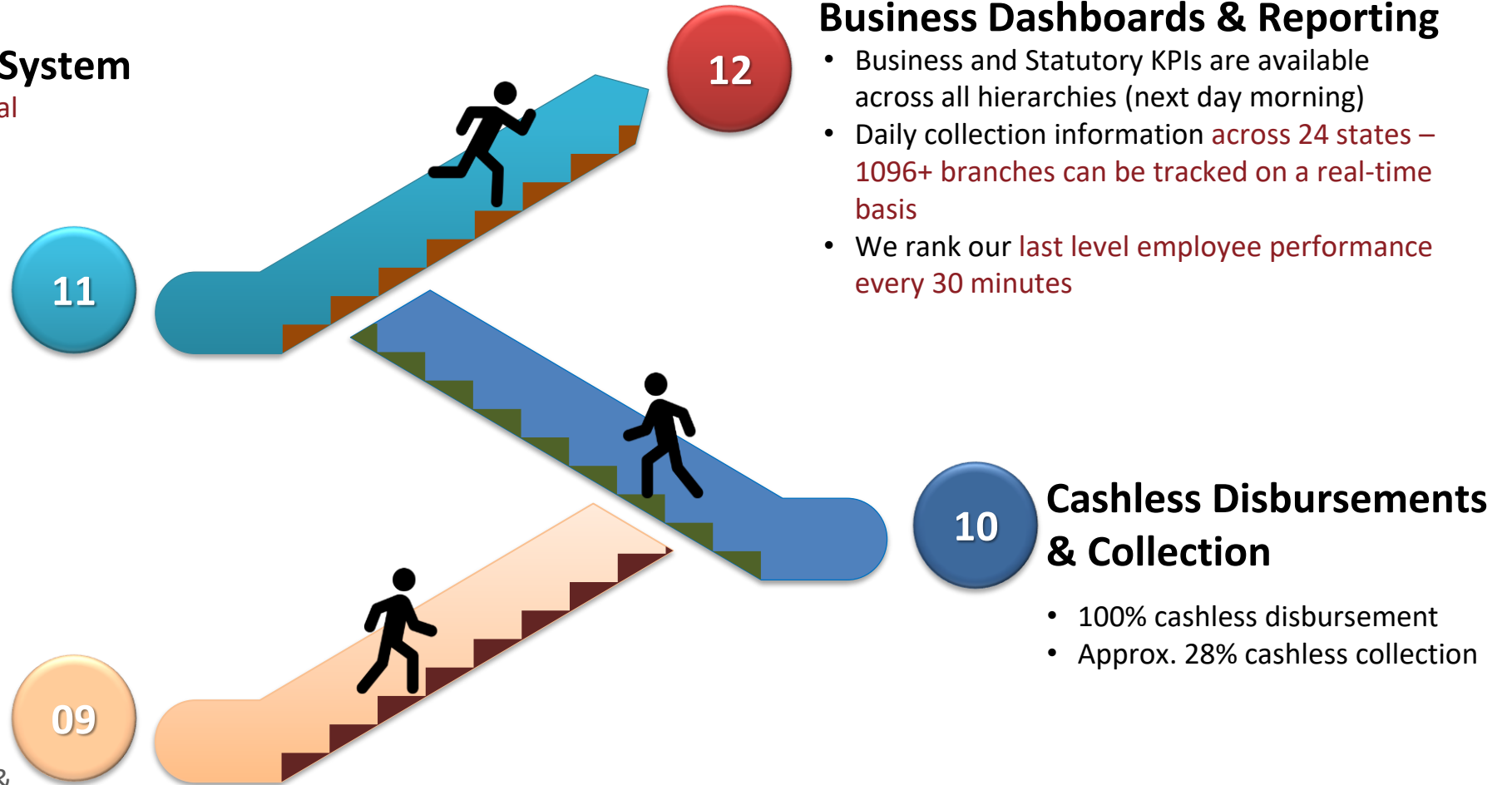
Core Accounting & Financial System

Real-time Financial Books, P&L & Trial Balance



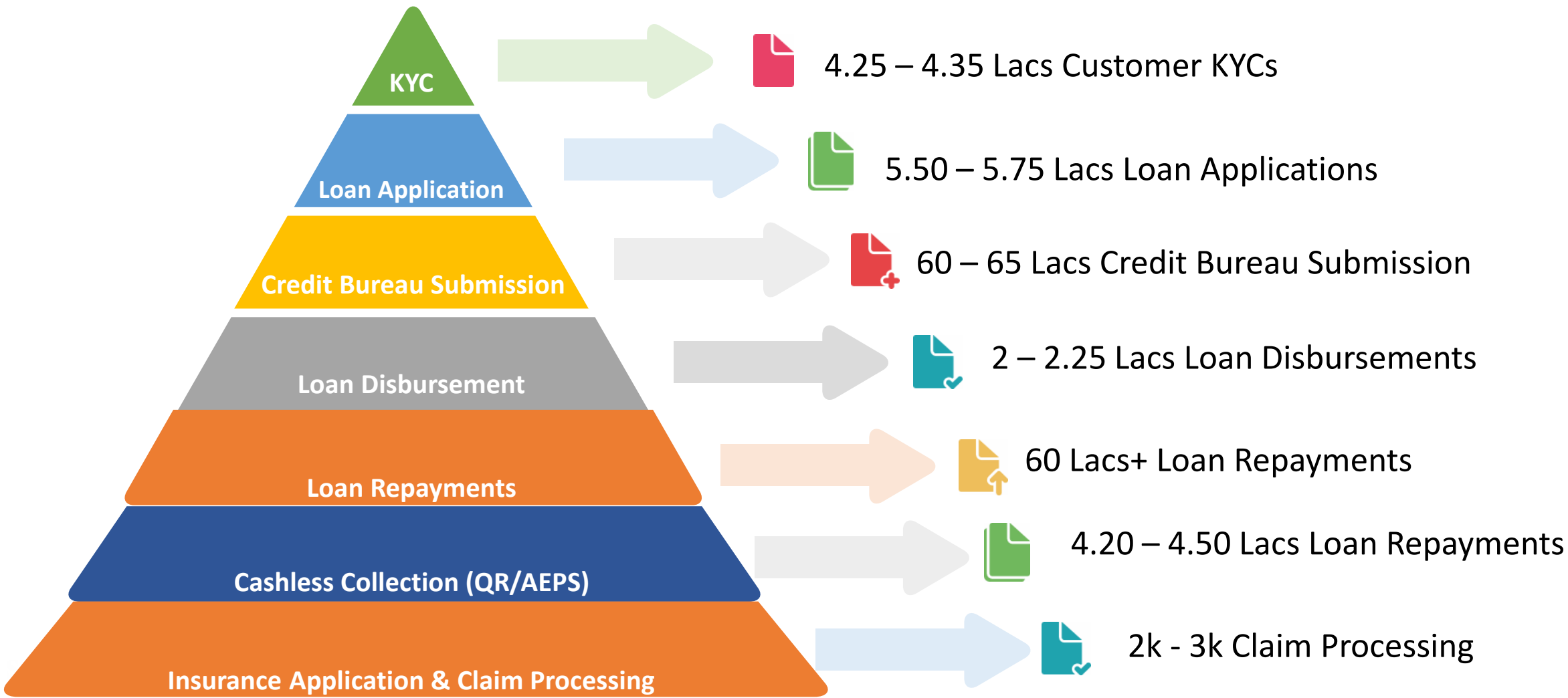
E-KYC & E-Sign

Customer Authentication IRIS & Fingerprint



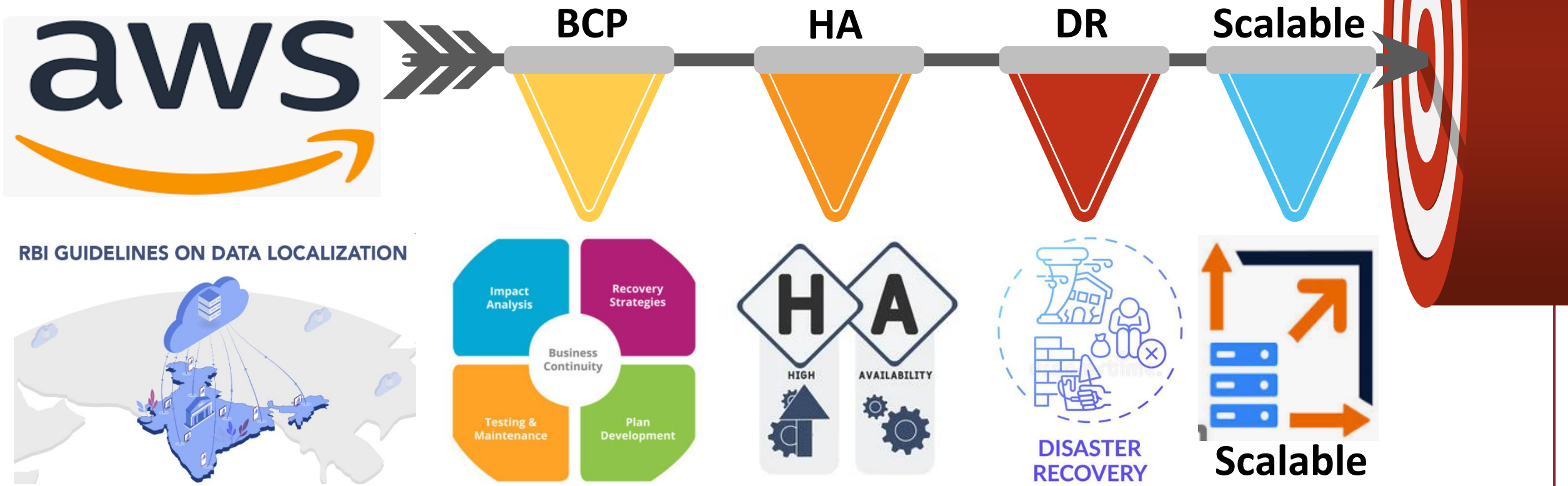


1.5 crore Monthly Transactions

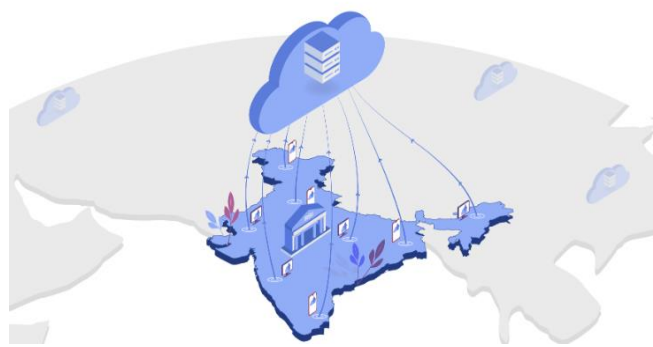


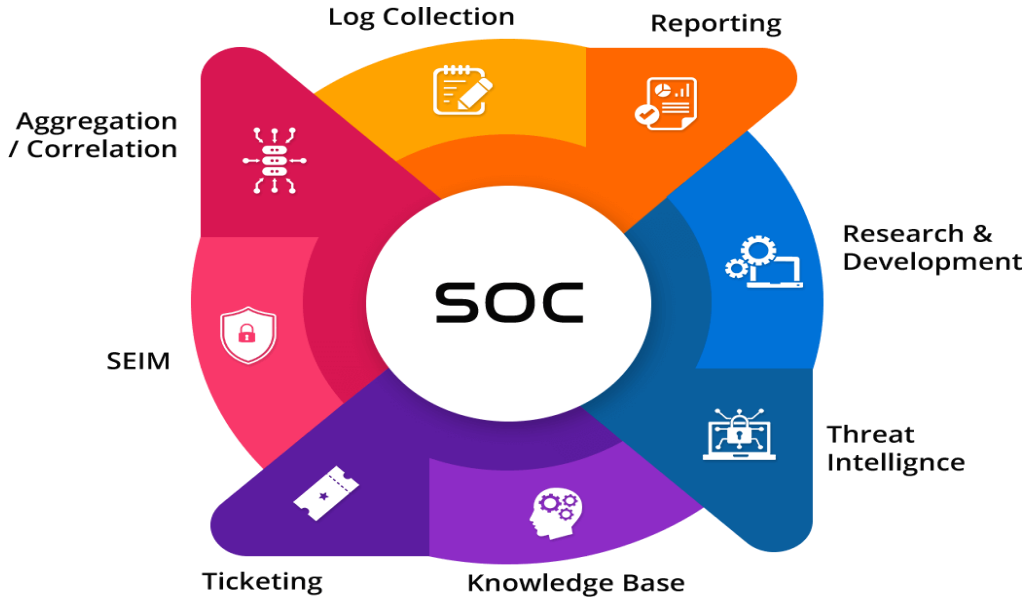
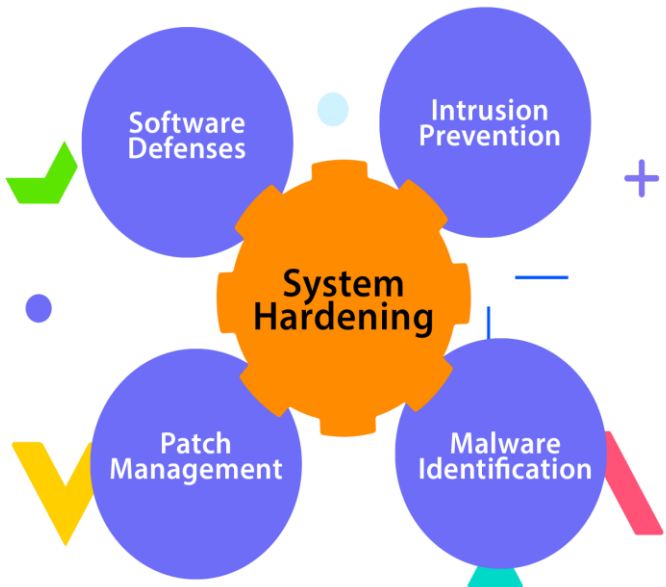
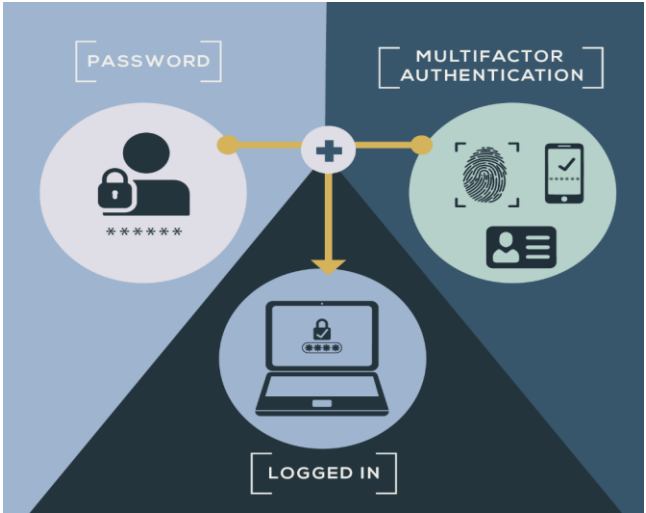
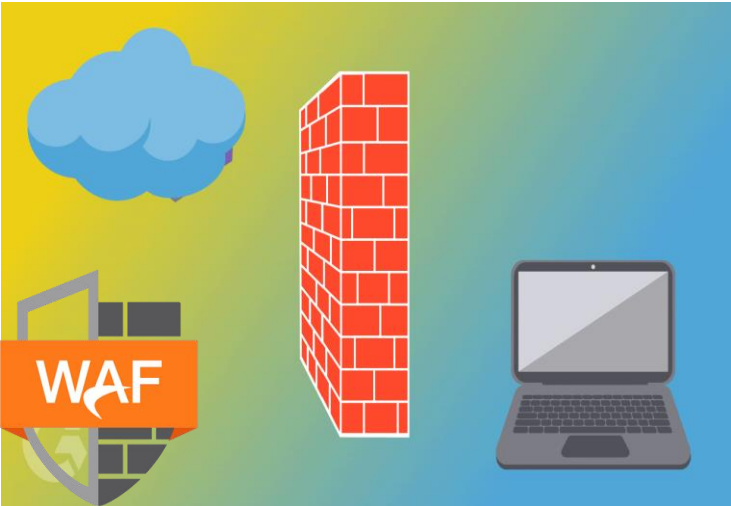
Challenges Vs Solution





RBI GUIDELINES ON DATA LOCALIZATION





Dhiraj Jha

Chief Risk Officer

- ✓ A CAIIB and certificate holder of FRM from GARP-USA, having over 17 years of experience
- ✓ Holds expertise in the field of Portfolio Management, Risk Analytics and Management, Project Management, Risk Assessment/Quantification and Business Process Re-engineering
- ✓ Possesses strong inclination towards automation in the financial industry using modern techniques and tools of Data Science, a strong ability to respond to security issues promptly, an understanding of corporate technology systems, networks and cyber threats and the ability to approach and process change
- ✓ Worked with organizations like Allahabad Bank and State Bank of India



Value Addition through Effective Risk Management



“ The key to risk management is never putting yourself in a position where you cannot live to fight another day ‘: Richard S. Fuld, Jr.

Simplified Version of our Business Model

Originate: Create Portfolio

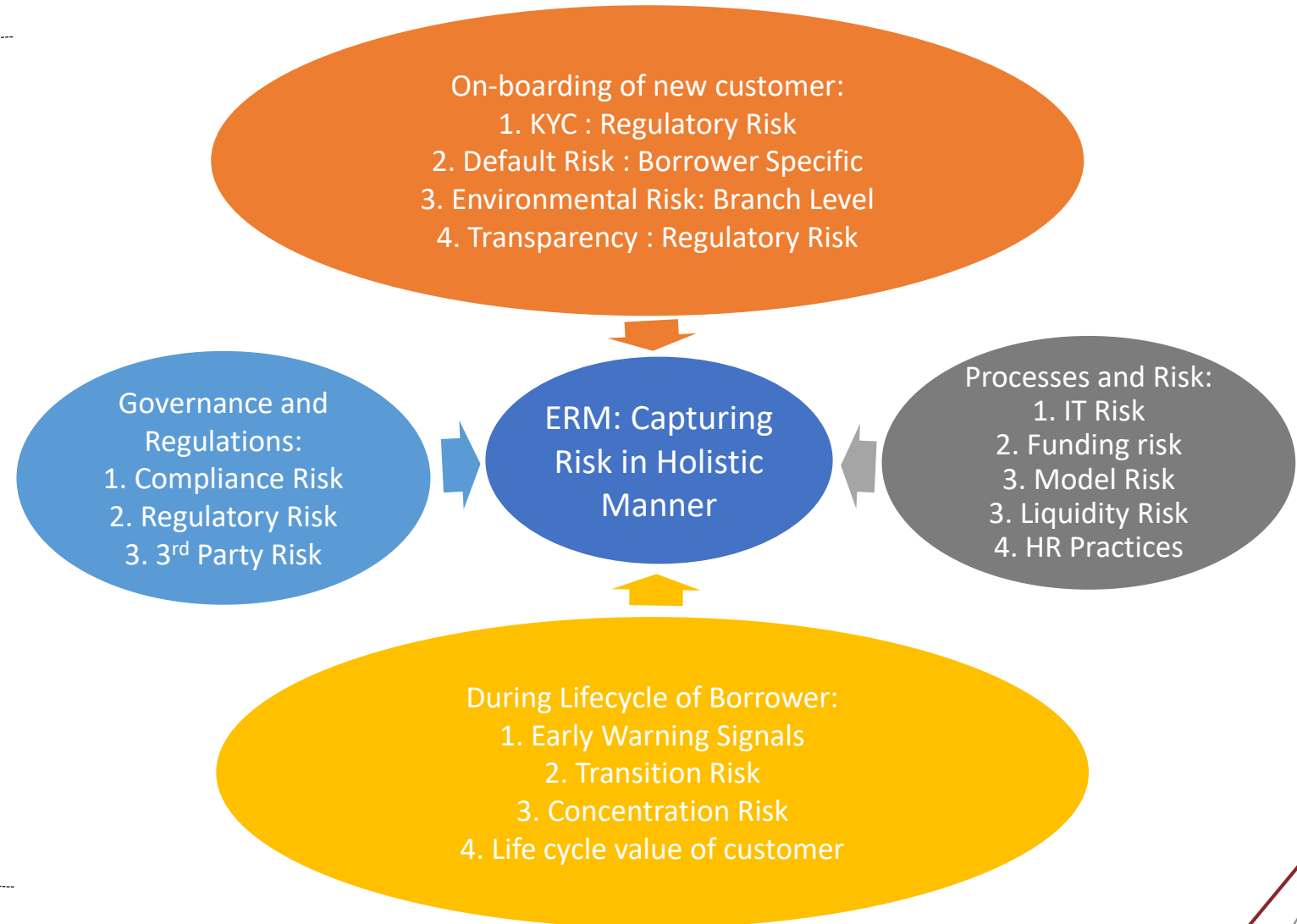
- Find Less Risky Geographies
- Find Less Risky Clients

Mature:

- Keep the portfolio till maturity for transfer

Transfer Assets for fund

On-book Portfolio



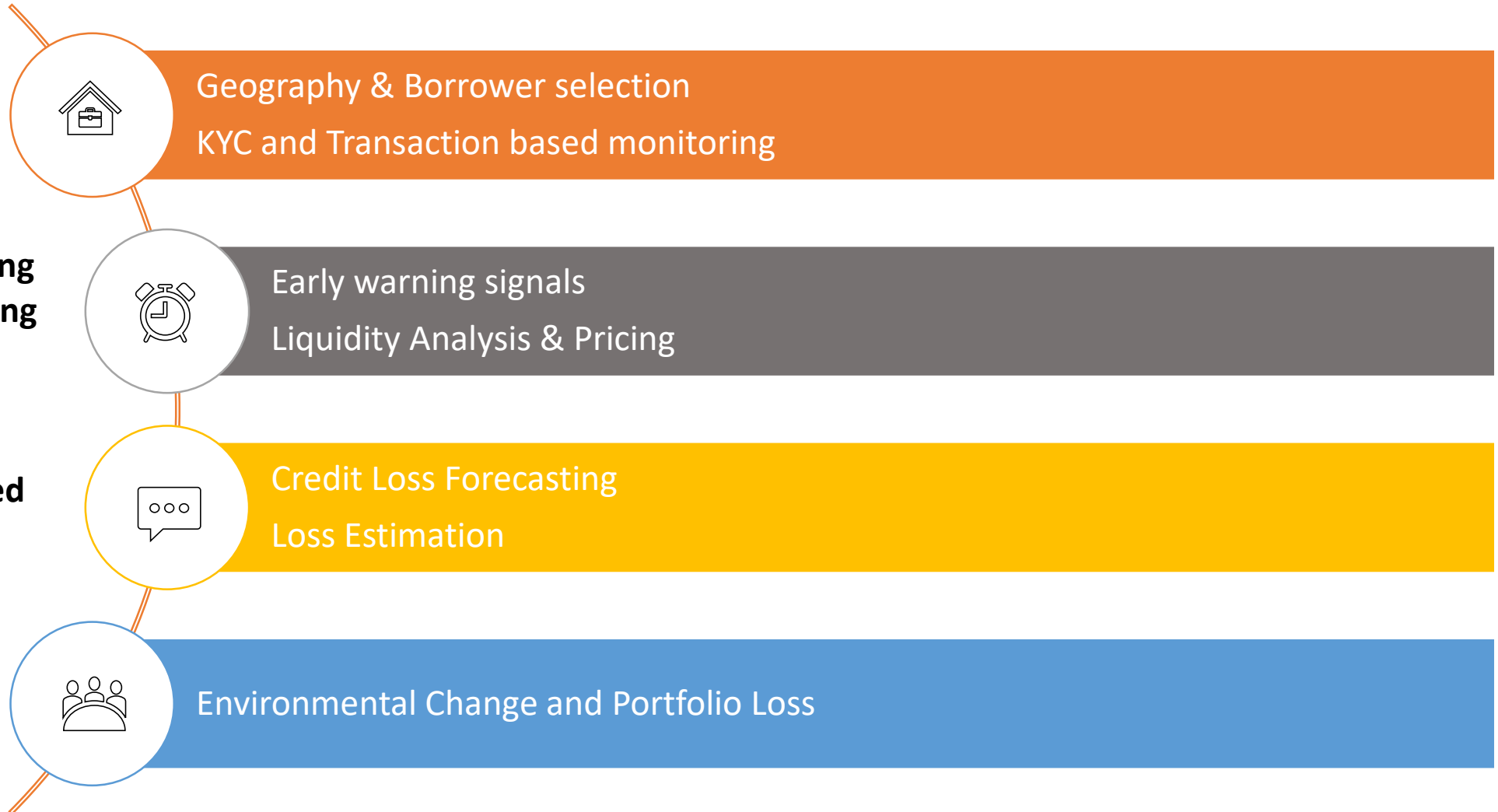
Value Addition through Effective Risk Management



"Information is the oil of the 21st century, and analytics is the combustion engine."-Peter Sondergaard, Gartner, Inc.

**Analytics at Full Swing
in our decision making**

**"Automated and
system-based
reporting at required
intervals"**



Value Addition through Effective Risk Management



"Automation is not a thing of the future, but a thing of the present." - Brian Tracy

Automated Risk Analytics Framework
in next 12-18 months

1. Budgeting with Macro- factor forecast- Environmental impact analysis on portfolio

2. Selection of Geographies / Borrowers

3. All Requirements of IT/Fund/HR auto triggered

4. MIS Reporting

We have already achieved significant Milestones and all projects are on track

Environment has been a part of our decision making from step 1

We are one of the first entity in the Industry with integration of ESG framework (quantitative measures) in our ERM Risk Assessment and Capital Planning

Capital Assessment (ICAAP): Quarterly Monitoring of Movement of Risk Capital



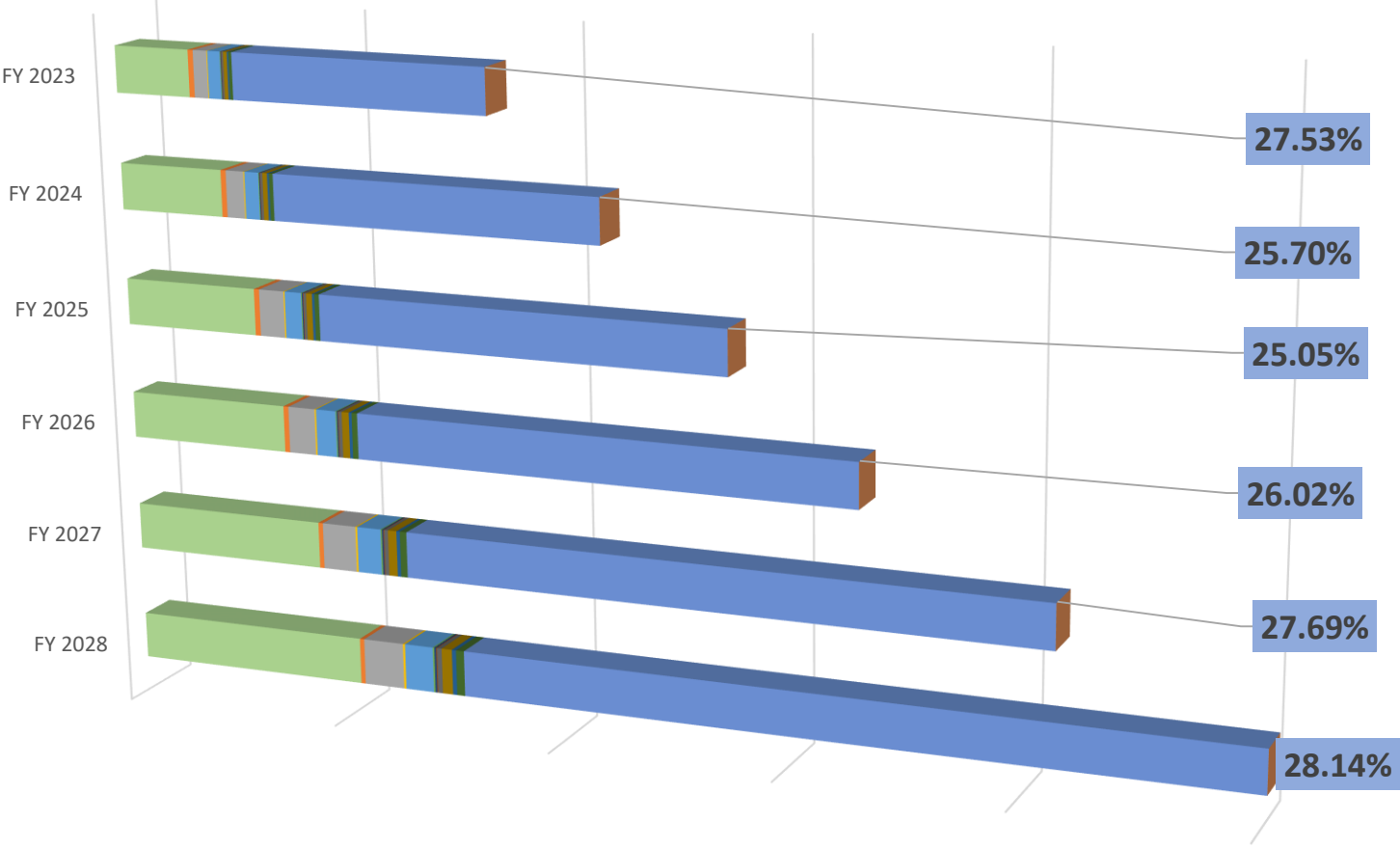
Required Risk Capital

Available Capital

CRAR (RBI Benchmark 15%)

Components of Risk Capital

- Operational Risk
- Credit Concentration Risk
- Talent Risk
- Compliance Risk- 97.5% VaR
- Strategic Risk
- Reputation Risk
- Model Risk
- Cyber Risk
- ESG: Flood/Tsunami/Cyclone
- ESG : Earthquake
- Total Tier 1 Capital Funds Available
- CRAR (Pillar 1 & Pillar 2 Risks)



Company is well capitalized for the projected growth path
CRAR – a measure of adequacy of capital, is expected to be above 25% over the projected period

Robust and Effective Internal Audit System



100% coverage of branches
every quarter

Scope of Audit

Customer Related: KYC documents, Centre Visits, Statutory Compliances, Feedback from Customers

Internal Processes Related: Bank Reconciliation, Customer's Transaction, Tax-Compliances, Expense Audit, Process control, Regulatory risk

Statistical
Methodology for
Sampling of Loan
Accounts

Sampling on dynamic factors based on perceived Risk

An integrated approach for Risk and Audit

Integration with Early Warning Signals

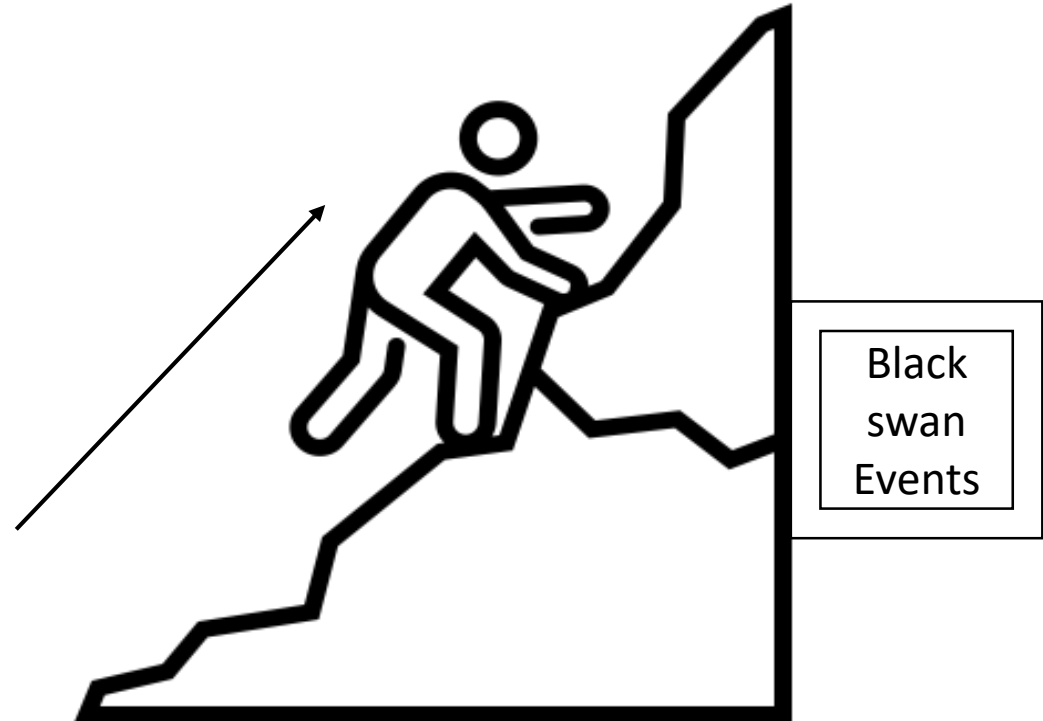
Migration to System Based Offsite Audit (OBSA) on cards

Value Addition through Effective Risk Management

We Practice
and Prepare.....



To ensure
quality
growth.....



Subir Roy Chowdhury

Chief Human Resource Officer

- ✓ An alumnus of INSEAD (Advanced Management Program) and PGDHRM from IISWBM – Kolkata with a B.Com. (Hons) from Kolkata University holds a vast 23 years of experience in HR function
- ✓ A Gallup Certified Strength Coach and a CII- certified HR Assessor and is part of CII HR committee and member of National Human Resource Development
- ✓ A thought leader who has been actively speaking in several industry forums on Human Resources management.
- ✓ Worked for a number of companies before joining Satin including Poonawala Fincorp, ICICI Securities Ltd., ICICI Prudential Life Insurance Company Ltd, Magma Leasing Ltd., Wacker Metroark Chemicals Ltd and Kotak Securities



India's Top 100 Best Workplaces

Ranked 30th



Ranked 30th in Top 100 Great Workplaces

- ✓ Top 100 workplaces across industries
- ✓ Top 25 in BFSI
- ✓ Best in MFI
- ✓ Best Workplaces in Building a Culture of Innovation by All
- ✓ Best Workplaces for Millennials

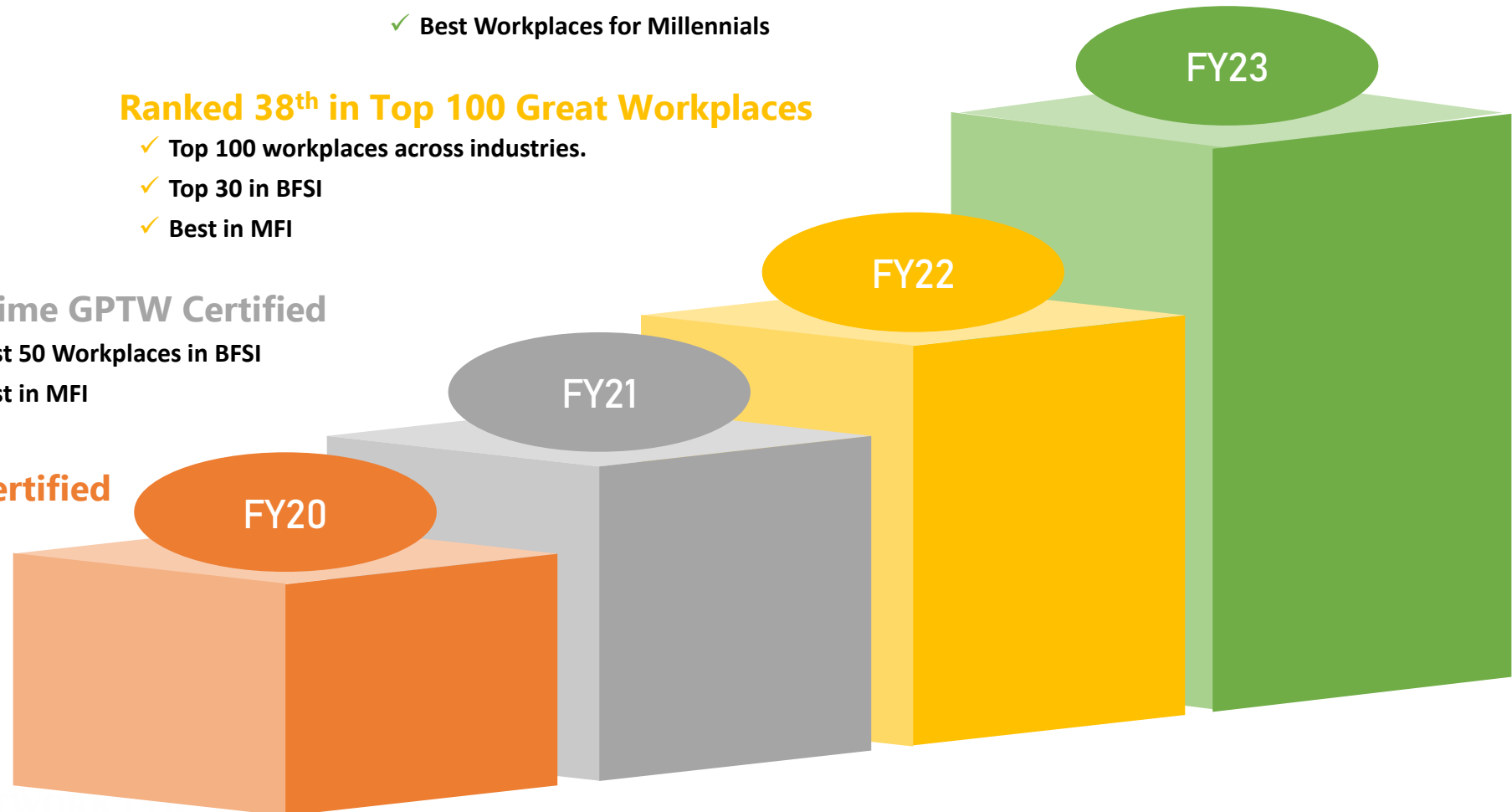
Ranked 38th in Top 100 Great Workplaces

- ✓ Top 100 workplaces across industries.
- ✓ Top 30 in BFSI
- ✓ Best in MFI

2nd Time GPTW Certified

- ✓ Best 50 Workplaces in BFSI
- ✓ Best in MFI

1st Time GPTW Certified



How We have Achieved in Last 5 Years



	FY19	FY20	FY21	FY22	FY23
Respect	77	78	84	92	92
Fairness	81	80	84	92	93
Pride	85	86	88	95	94
Camaraderie	81	85	85	91	92
Credibility	80	85	85	92	93

Trust Index Score	81	83	85	92	93
Culture Audit Score	2	2.5	2.5	3	3.5



MERITOCRACY & GROWTH

Create an environment where performance is rewarded with growth for the right fit.



LEARNING & CAPABILITY BUILDING

Focus on building capabilities in our people with training interventions



EMPLOYEE WELLBEING

Create an inclusive culture where people value their association and feel happy to be associated with Satin

**My SATIN
My PRIDE**

CULTURE OF TRUST & PRIDE

Create a culture of trust and belongingness where people feel empowered and proud

**Our Cornerstones are
driven by *4P Agenda***



- Well defined carrier path for FOS & BMs
- Monthly reviews of FOS & BMs
- Quarterly review of RMs & ZMs
- 80% positions filled internally

01

GROWTH



CAPABILITY BUILDING



02

- Talent Management & succession planning framework at leadership positions
- 360 assessment for AVP & above
- LinkedIn Learning for all Managers & above
- YLDP program for campus recruitment

- “Value for women” initiative
- “Satin Ease” for women emp.
- Extended maternity leaves
- Encourage specially abled employees
- Sabbatical Policy
- No discrimination of capability with age, gender & we are an equal opportunity employer

03



INCLUSIVITY

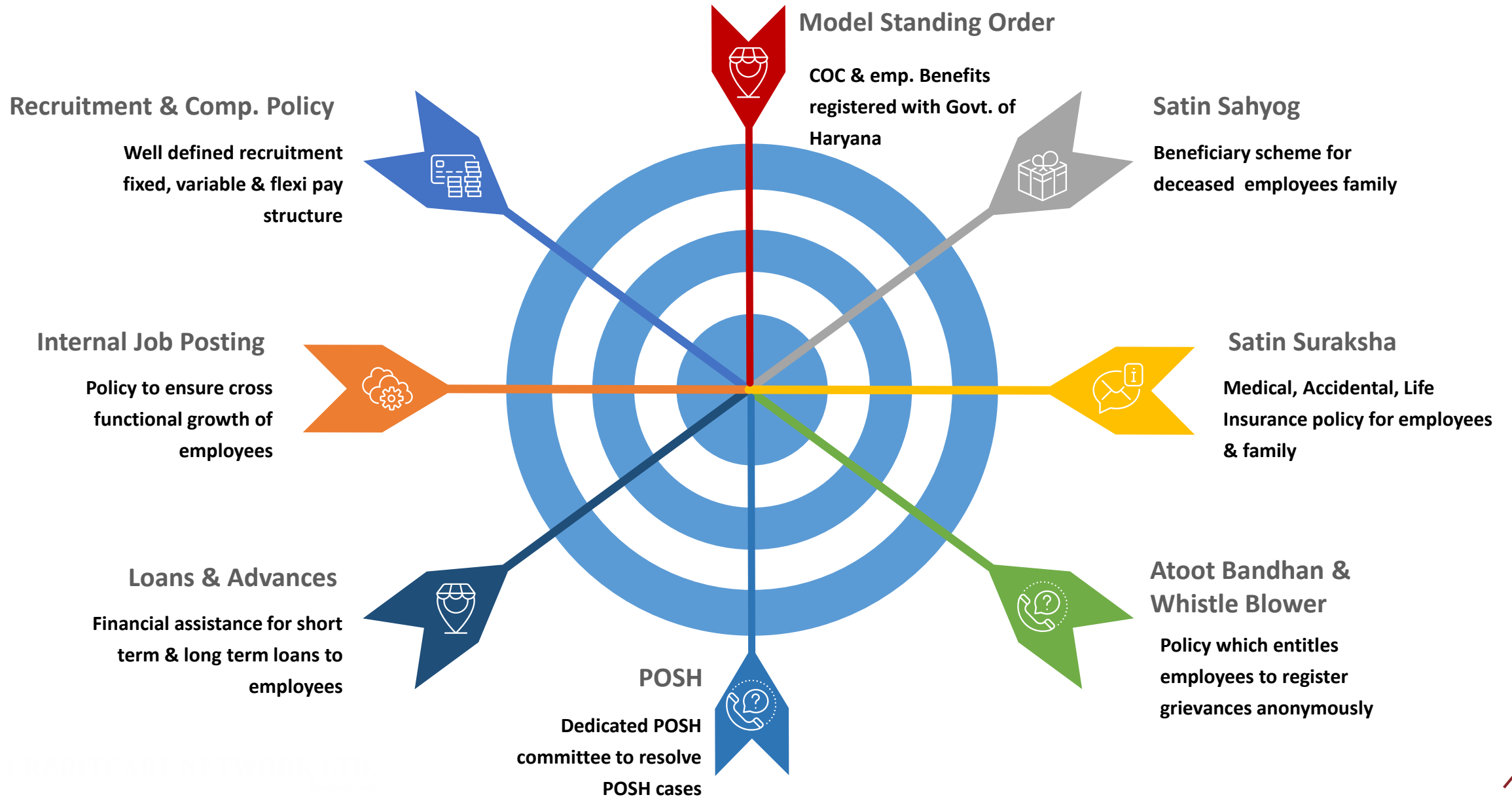


EMPLOYEE WELL-BEING

04

- Stay & Fooding facility at branches
- Education grants for children of employees
- Mental health session for employees

Key HR Policies





HR Automation- Digital Mobile App

- Employee Self Service
- Attendance & Leave Mgt.
- Exit & Alumni Portal
- Expense Management System



Recruitment & On-boarding process

- Back Ground Verification (BGV)
- Equifax Check
- 100% Induction coverage



Manpower Planning & Budgeting

- Quarterly Review of Manpower Plans
- Adherence to Budgets on Monthly basis
- Manage Manpower cost as per budgets
- 100% Employees on-roll



Payroll & Compliance

- 100% on time Complaint with all Labor Laws
- Introduced National Apprenticeship Program (NAPS)
- 100% Employees are minimum wage compliant



On-line Performance Management System

- KRA, KPIs & Goal Setting Process
- Quarterly Reviews for frontline



HR Team Efficiency Measured by HR Score Card

- Monthly review of HR Team

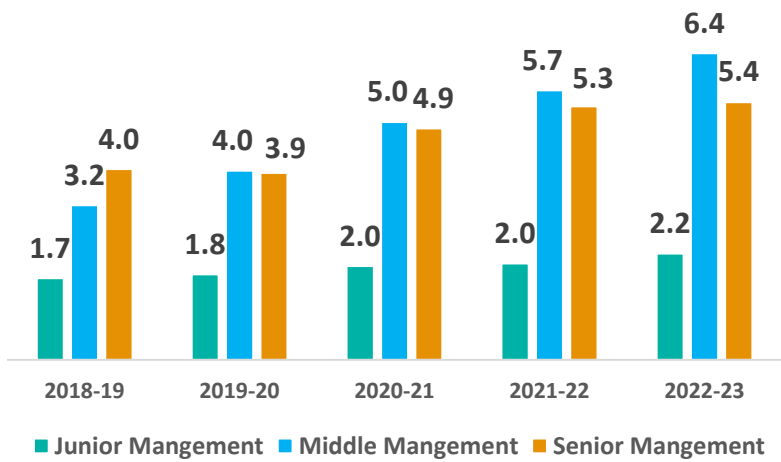
Key HR Practices



Organization Demographics



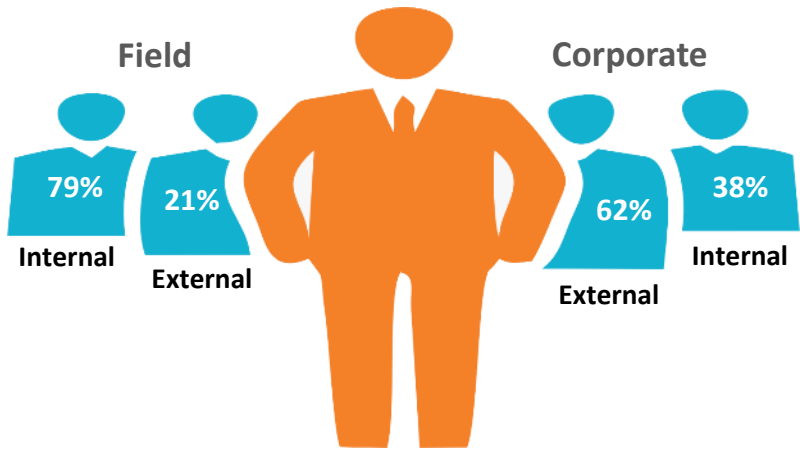
Avg. Tenure



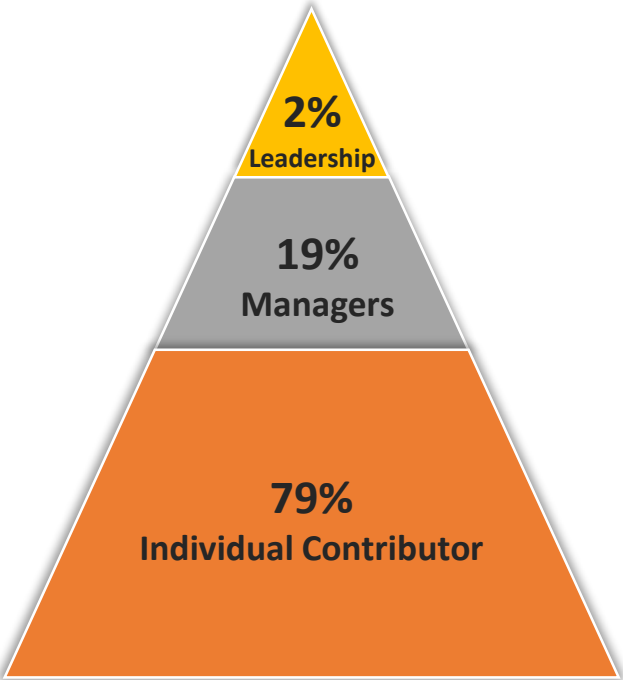
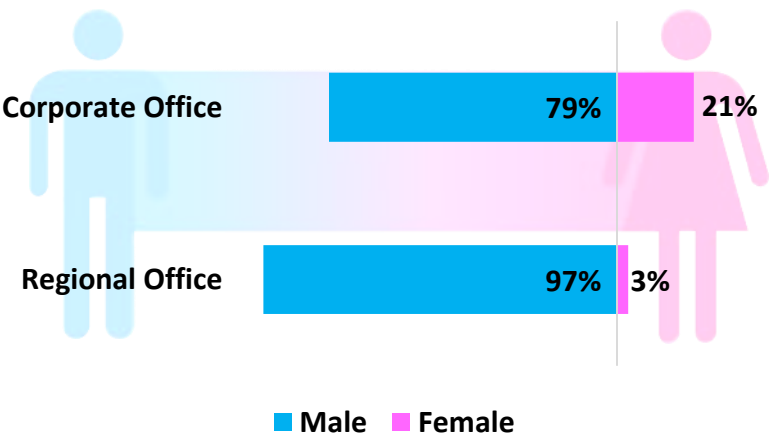
Avg. Tenure of employees reporting to CMD 7.9 Yrs

Avg. Tenure of employees reporting to CXOs 4.5 Yrs

Growth - Internal Vs External

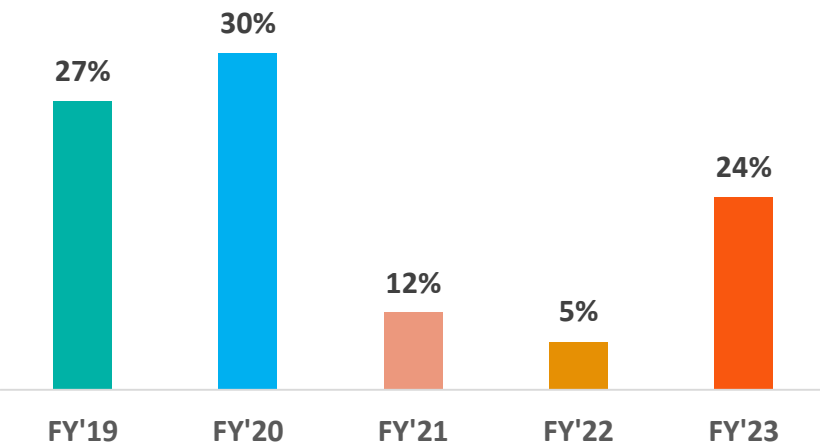


Diversity

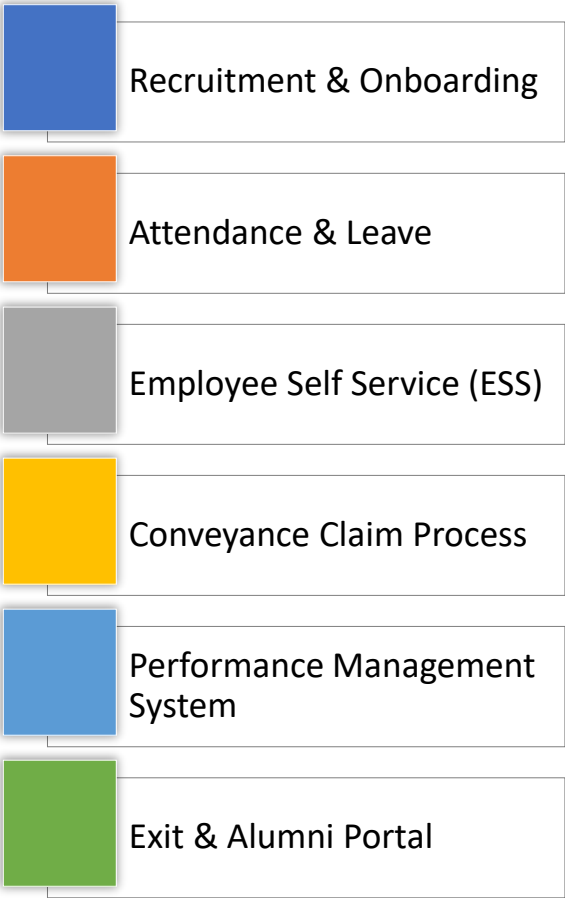


Organizational Hierarchy

Internal Growth



Leveraging Technology & Automation



Talent Management



Evaluation of Middle Managers



Succession Planning up to CXO-2 level & Leadership Training

Zero Error Compliance



Professional Tax



Labour Welfare Tax

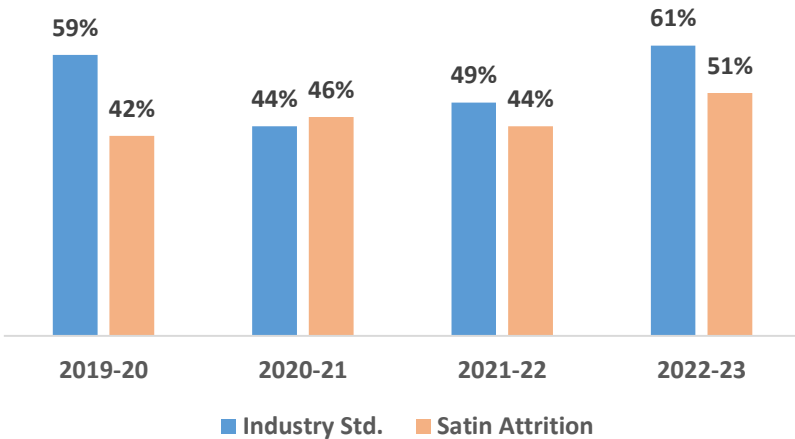


Provident Fund

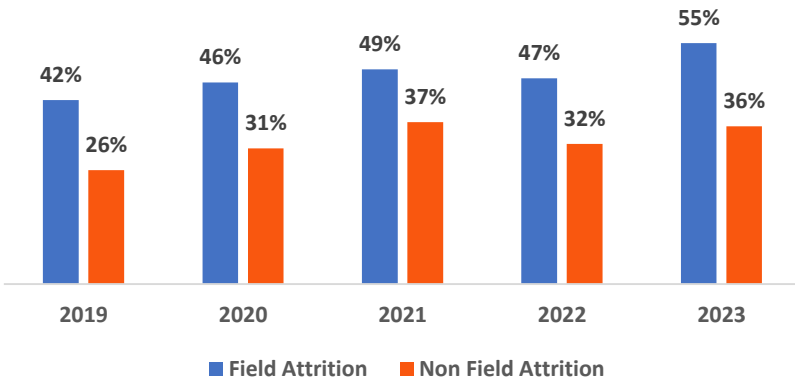


ESIC

Attrition Trends Industry Vs Satin

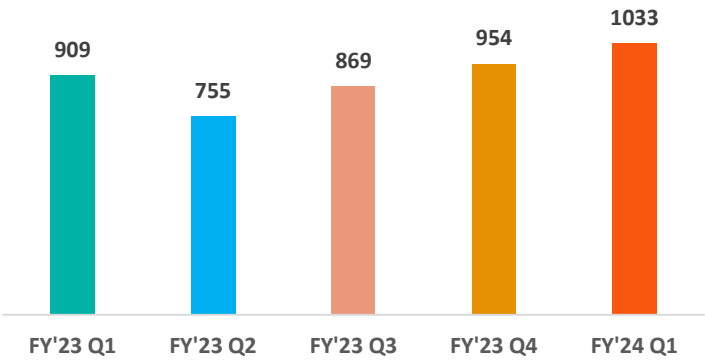


Attrition – Field & Non-Field





Induction Training

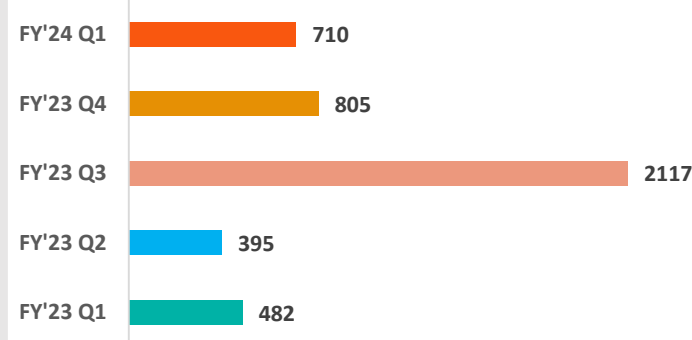


Avg. Training Man Days
8 Days

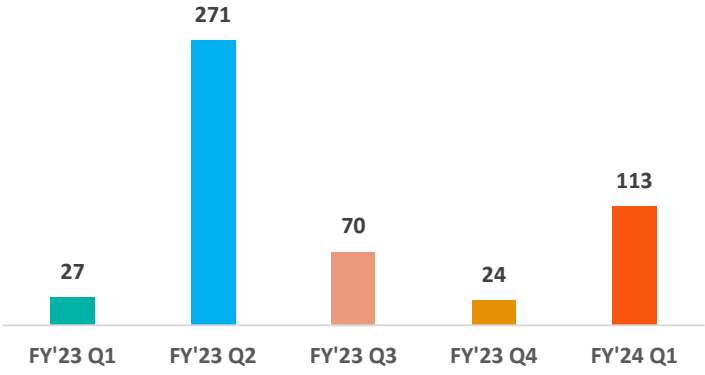
Total Training Sessions
FY'23
2431

Total Training Sessions
Q1 FY'24
486

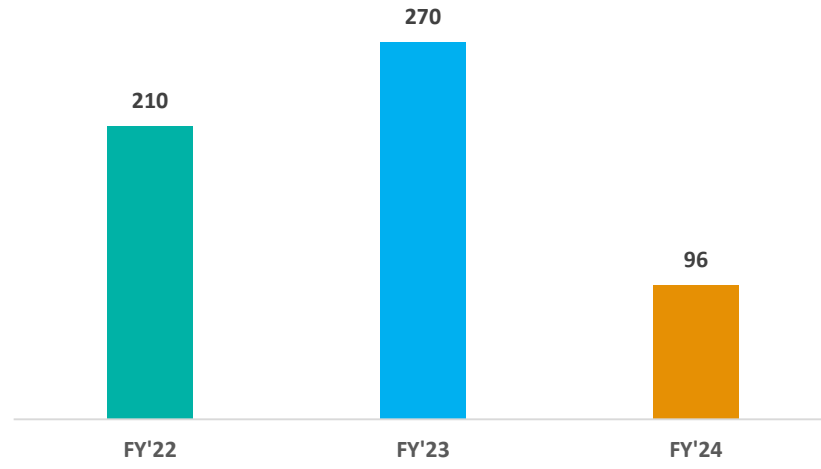
Corrective Training



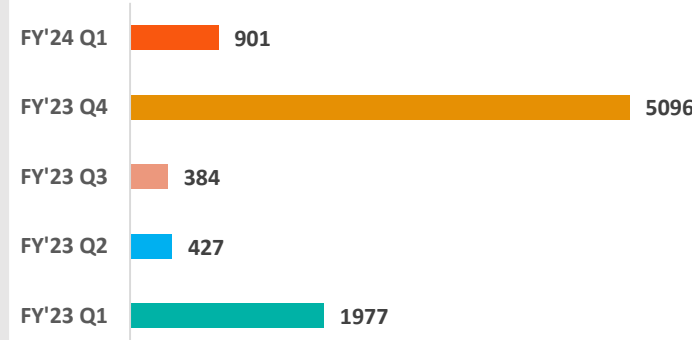
Upskilling & Promotional Training



Leadership Training



Refresher Training



*Data of FY22 & FY23 Q1

Partners Associated With Us

Jugal Kataria

Group Controller

- ✓ A Cost Accountant, rank holder Chartered Accountant and Company Secretary with 32 years of experience
- ✓ Part of the Industry Forum, MFIN, as a member of the Enforcement Committee and Credit Bureau Task Force
- ✓ With strong financial acumen and leadership ability, he is an excellent communicator coupled with strong relationship-building skills and expertise in venturing successful business strategies
- ✓ Prior to joining Satin in 2000, he held positions with Berger Paints (India) Limited and Apollo Tyres Limited



Manoj Agrawal

Deputy Chief Financial Officer

- ✓ A rank holder Chartered Accountant, having 24 years of versatile experience
- ✓ Holds proficiency in various functions like Financial Operations Management, Client Service, Risk and Controls, Regulatory Compliance, and Strategic Transformation
- ✓ Known for his proactive approach, analytical skills, flawless execution and transformation through innovation
- ✓ Prior to Satin, worked in organizations like J.P. Morgan Chase, ICICI Bank Limited and other reputed companies



Financial Performance - Standalone



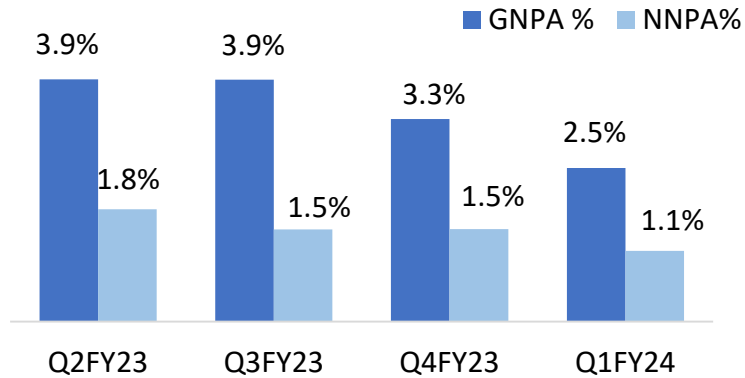
Particulars	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Jul'22 to Jun'23
Gross yield	20.31%	22.85%	21.57%	20.48%	20.56%
Financial Cost Ratio	8.44%	8.76%	7.93%	8.35%	8.08%
Net Interest Margin	11.87%	14.09%	13.64%	12.13%	12.48%
Operating Expense ratio	6.96%	6.63%	6.14%	5.81%	6.13%
Loan Loss Ratio	0.44%	2.98%	0.66%	0.69%	1.12%
RoA	2.96%	2.92%	4.90%	4.28%	3.66%
RoE	12.80%	12.41%	20.30%	17.52%	15.77%
Leverage (Total Debt / Total Net Worth)	3.0x	3.1x	2.9x	3.0x	3.0x
Cost to Income Ratio	58.67%	47.06%	45.00%	48.86%	49.11%

Constant Improvement on all Financial Parameters

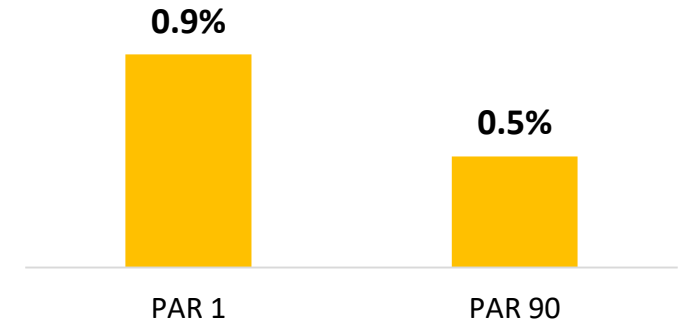
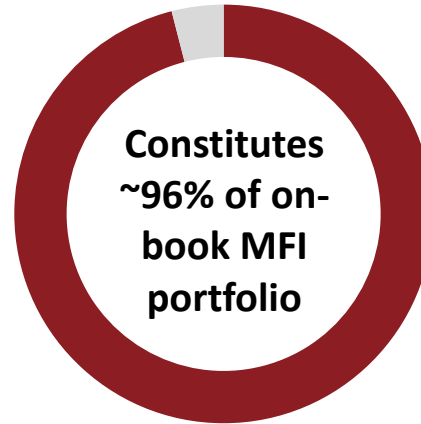
Portfolio Quality & Expected Credit Loss



Asset Quality

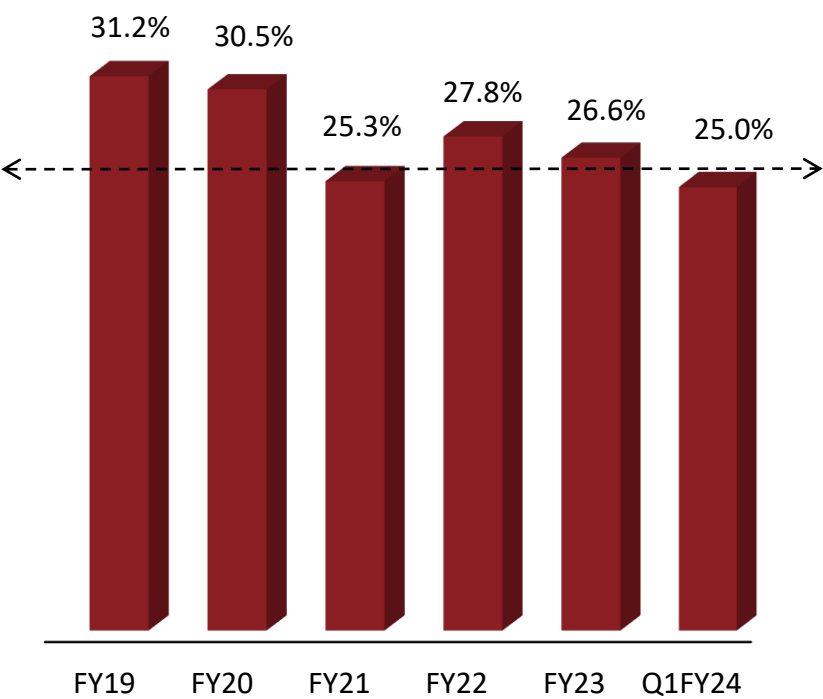


Portfolio originated Jul'21 onwards



- On-book GNPA stood at Rs. 155 crore (2.49% of on-book portfolio)
- The Company has sufficient on-book provisions amounting to Rs. 103 crore as on Q1FY24, which is 1.6% of on-book portfolio (provision required as per RBI norms of Rs. 96.8 crore)
- **Will further strengthen the PCR quarter on quarter to provide cushion for any unforeseen event**
- Provisioning is validated by one of the big four consulting firms
- Strong collection against write off pool of Rs. 48 crore in FY23 and Rs. 9 crore in Q1FY24
- Positive on recovery against Assam portfolio via AMFIRS

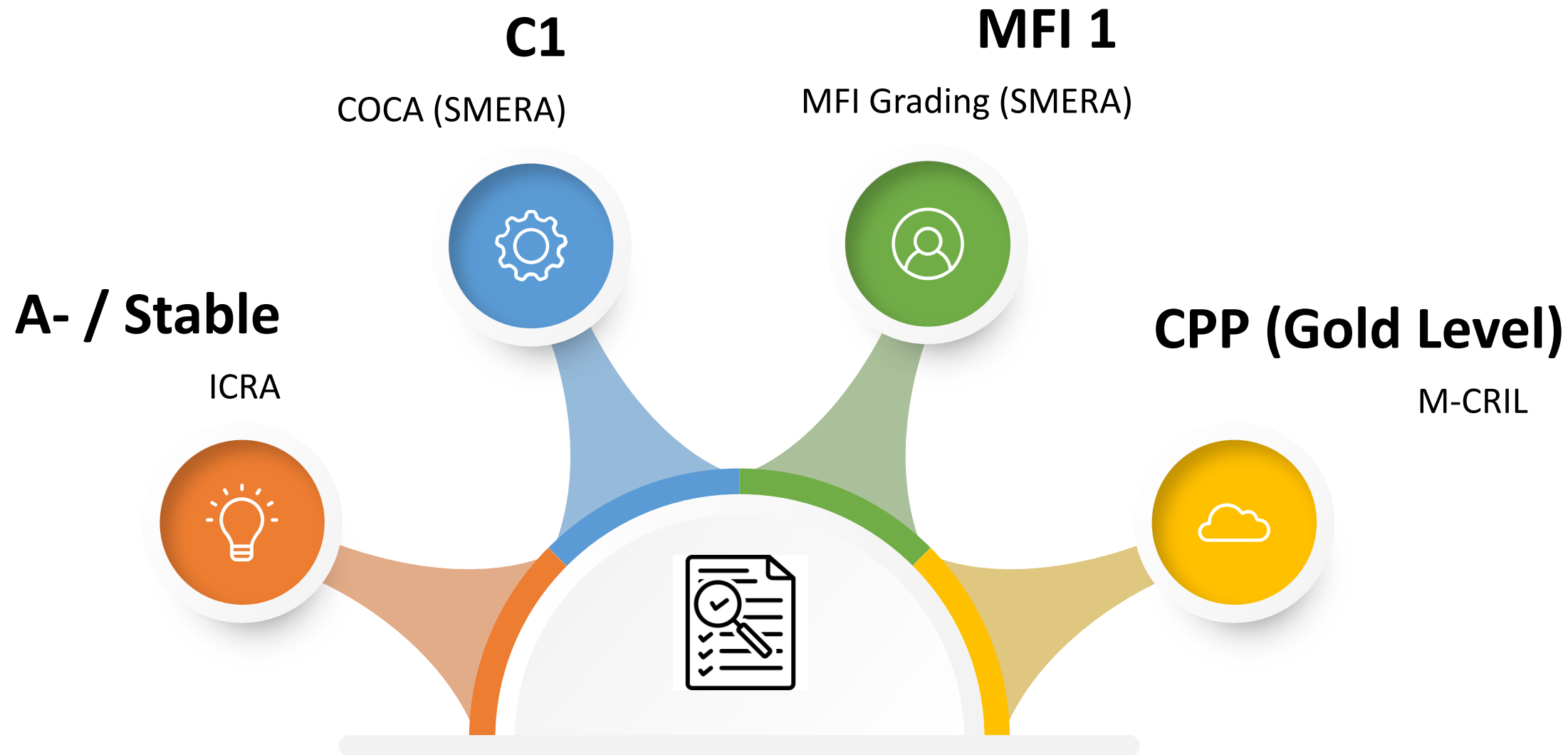
Capital Adequacy Ratio



Optimizing capital allocation to support sustainable growth while maintaining a strong CRAR

Continuously monitoring capital adequacy levels; **to maintain above 20% in the long run**

Maintained CRAR **above 25%** during the last 5 years; successfully raised capital whenever required



Seamlessly Raising Funds

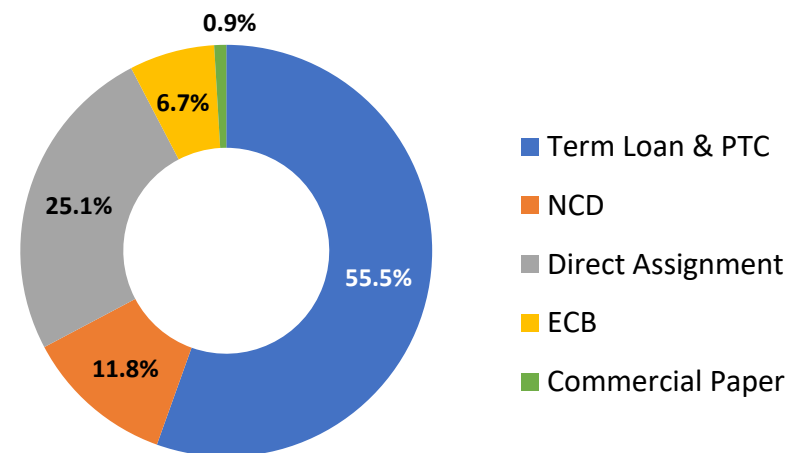


Well-diversified Liability Profile with Large Lender Base

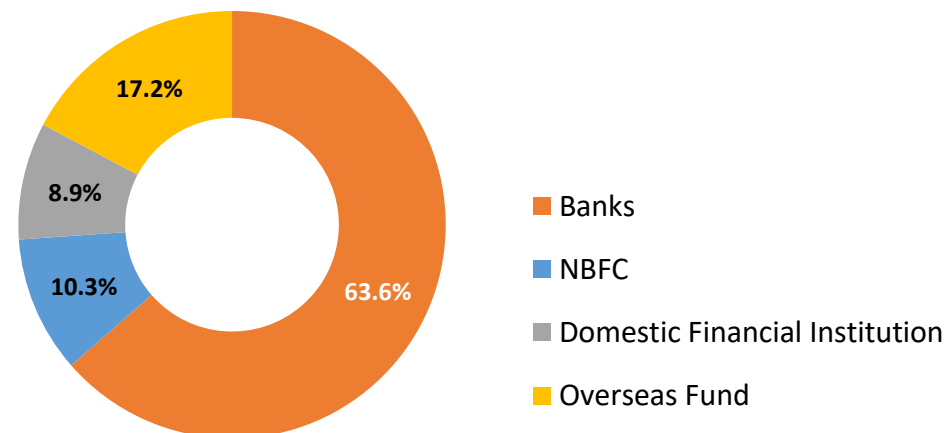


Top 10 Lending Partners	% Share
State Bank of India	16%
Bank of Maharashtra	8%
Blue Orchard Microfinance Fund	6%
IDFC First Bank Limited	6%
SIDBI	5%
Bank of Baroda	5%
Bandhan Bank Limited	4%
Standard Chartered Bank	4%
Axis Bank Limited	3%
NABARD	3%

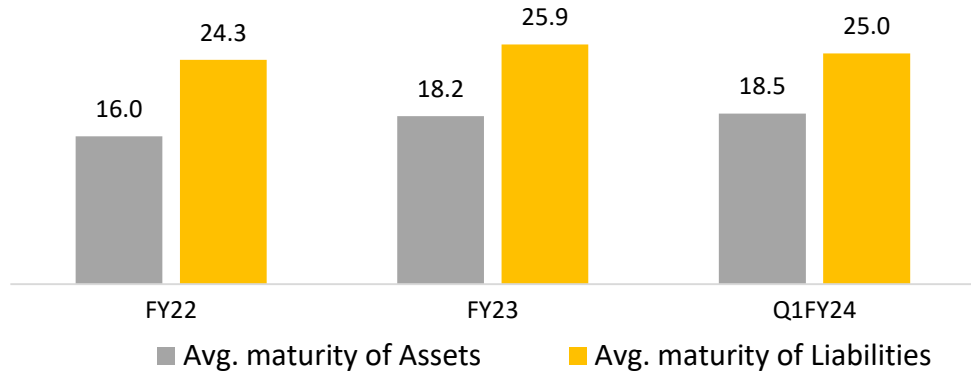
Product-wise Jun'23



Lender-wise Jun'23



Positive ALM with Ample Liquidity

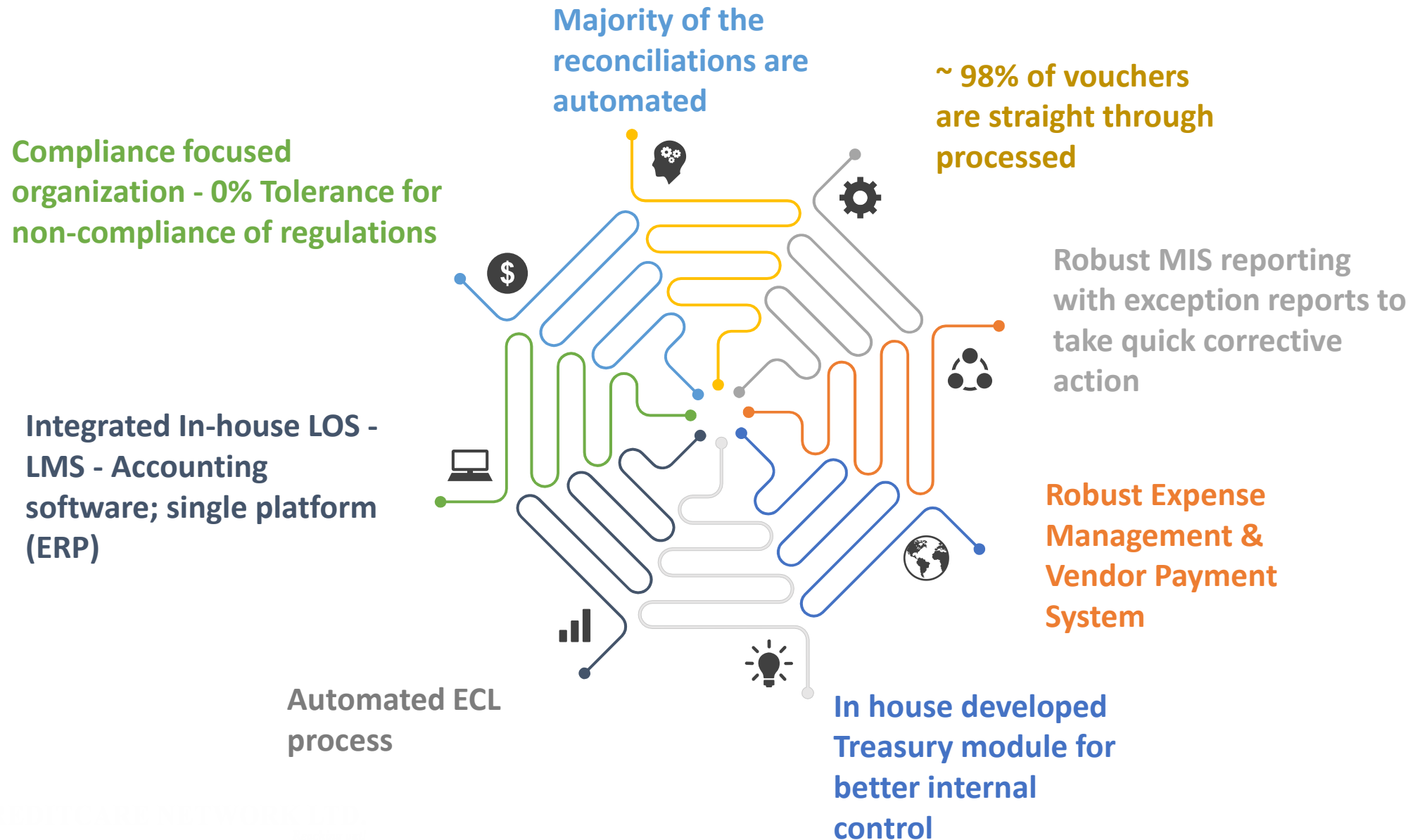


Static ALM is showing comfortable liquidity position

LCR as of June 30, 2023, is 102.95%, which is well above the regulatory requirement of 60%

Static ALM as on 30 th Jun'23 (Rs. crore)	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Inflows							
Liquidity at the beginning of month	1,190	1,187	1,417	1,538	1,749	2,022	1,190
Principal - Loan portfolio	309	316	309	304	299	324	1,861
Interest - Loan portfolio	115	114	106	96	99	84	614
Total (A)	1,613	1,618	1,833	1,938	2,148	2,429	3,665
Outflows							
Principal repayments	387	165	246	158	93	267	1,316
Interest repayments	39	36	49	31	33	60	246
Total (B)	426	200	295	189	126	326	1,562
Cumulative Positive Mismatch (A-B)	1,187	1,417	1,538	1,749	2,022	2,103	2,103

Undrawn sanctions in hand of Rs. 897 crore as on Jun'23



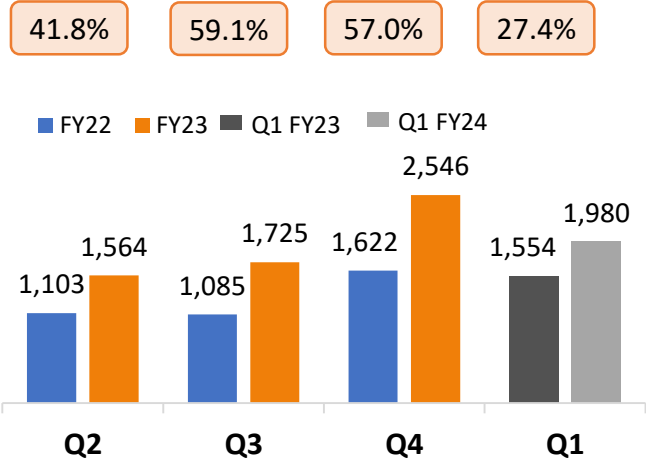
Satin Report Card



(YoY Change)

Disbursement

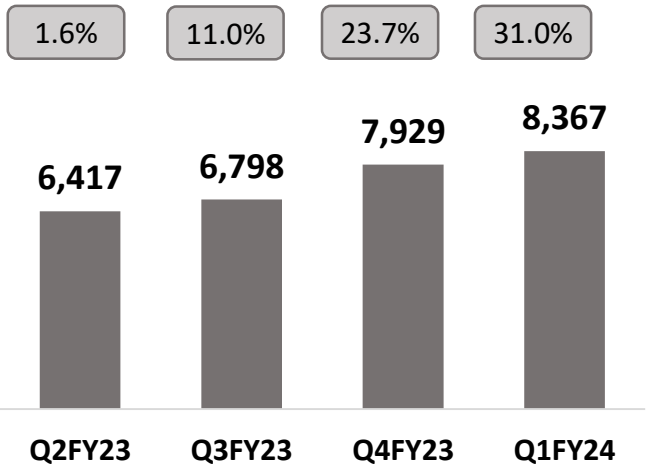
Focus on
new client
acquisition

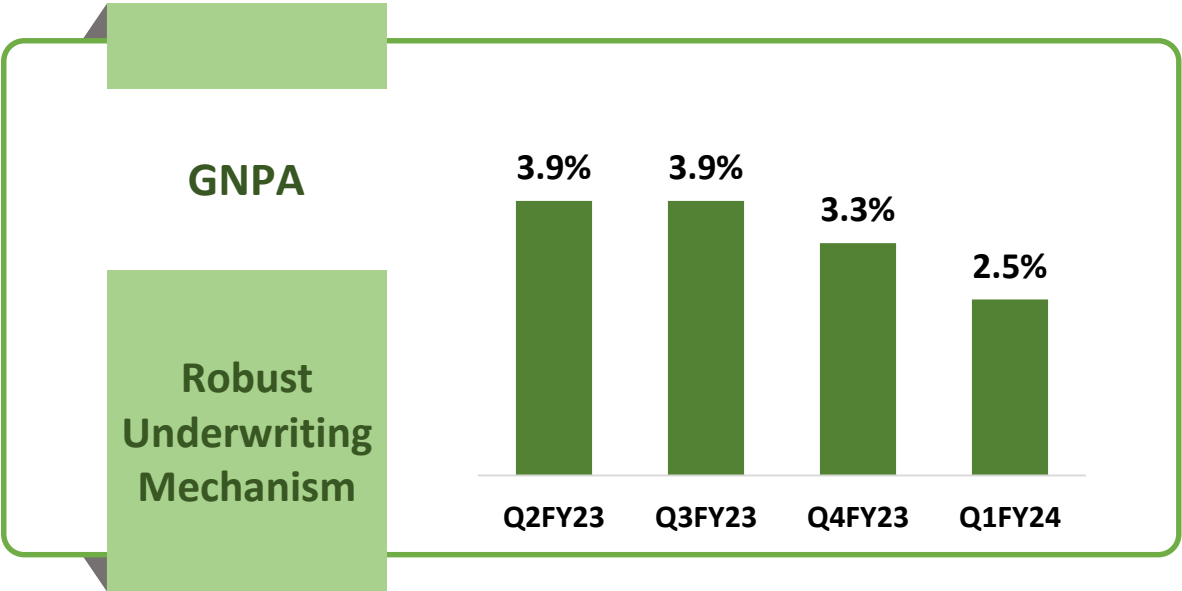
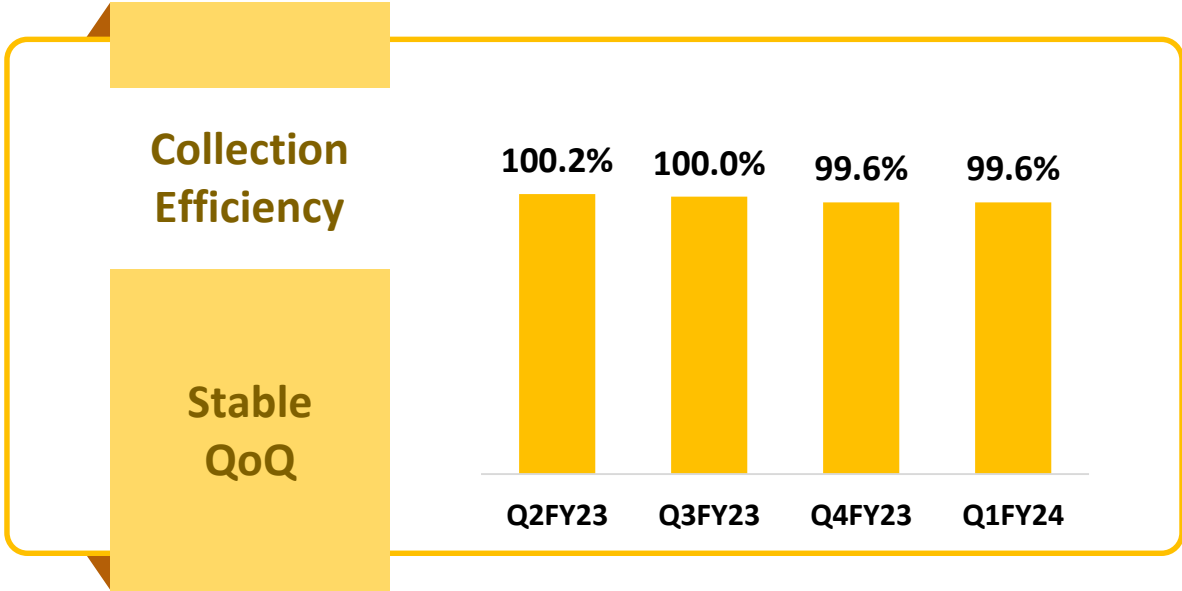


(YoY Change)

AUM

Consistent
Growth





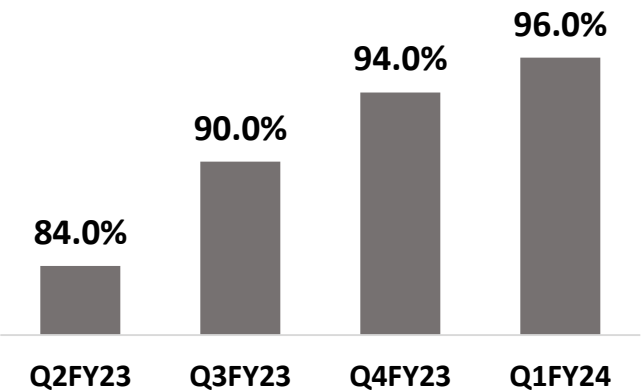
Are we delivering
the RIGHT Quality?



Portfolio
originated
Jul'21 onwards

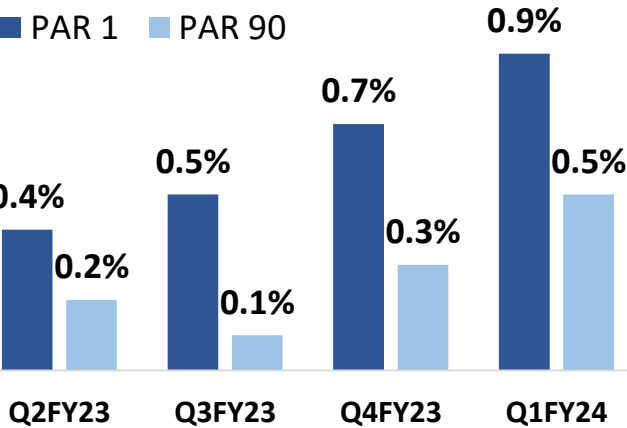
Consistent
Performance

% of on-book MFI Portfolio



PAR

Best in
Industry



Are we delivering it
Efficiently?



Particulars	Q2FY23	Q3FY23	Q4FY23	Q1FY24
Opex / AUM	6.96%	6.63%	6.14%	5.81%
Cost / Income Ratio	58.67%	47.06%	45.00%	48.86%
AUM/Loan Officer (Rs. crore)	1.05	1.12	1.23	1.27
AUM/Branch (Rs. crore)	5.77	6.04	6.99	7.26
Optimized Liquidity (Rs. crore)	698	1,274	1,029	1,190
Undrawn sanction in hand (Rs. crore)	445	674	580	897

Outlook for next 5 Years



Particulars	Jul'22 to Jun'23	FY24E	FY25E	FY26E – FY28E
GLP Growth (%)	30%	25%+	25%+	25%+
NIM (%)	12.48%	12.1% - 12.5%	12.25% - 12.75%	12.25% - 12.75%
Cost-to-Income Ratio (%)	49.37%	45% - 50%	42% - 48%	40% - 45%
Operating cost/AUM (%)	6.13%	5.60% - 5.75%	5.30% - 5.50%	5.00% - 5.25%
Credit Cost (%)	1.12%	1.25% - 1.5%	1.5% - 1.75%	1.5% - 1.75%
RoA (%)	3.66%	3.50% - 4.00%	4.25% - 4.75%	4.50% - 5.00%
RoE (%)	15.77%	17.5% - 19.0%	18.0% - 20.0%	20.0% - 23.0%
Capital Adequacy	25.0%	22.0% - 25.0%	22.0% - 25.0%	>20%
Debt/Equity	3.0x	3.5x - 4.0x	3.5x - 4.0x	<4.5x

The graphic consists of a large, dark red, diagonal band that runs from the bottom left towards the top right. A large, white circle with a thin gold border is positioned in the center-right of the image, partially overlapping the red band. The word 'Sustainability' is centered within this white circle in a black, sans-serif font.

Sustainability



Green Building

Satin's headquarters – a green building – is adorned with solar panels that generate 100 kW of electricity and innovative features including Sewage Treatment Plant that recycles 10 kiloliters of water per day and radiant cooling system

Water and Sanitation (WASH) Loans

- Constructively working towards safe water and sanitation in around 280 districts and more than 26,000 villages in 19 states viz Bihar, Orissa, Uttar Pradesh, West Bengal etc.
- In FY23, disbursed a total of 91,830 WASH loans

Clean Energy Loans

- SCNL's clean energy programme is an illustration of its dedication to serve the society by providing customized financial solution
 - Empowered 8,38,808 HHs with clean energy
 - **Reduction of 44,528 tons of Co2e**
- Certificate of Excellence by UNFCCC's Clean Development Program

Paperless Branches

- ~80% of the branches has gone paperless



Social - Committed to Impact & Inclusion



- Reaching borrowers through a suite of financial and non-financial services, tailored to meet their needs, including lending under JLG model, product financing, community level initiatives, financing household level toilet and water facility
- Almost all of SCNL clients are **women; 77% of whom are based in rural hinterlands of India**
- Around **72% of the clients are from BPL category**
- Continuous **training and leadership** programs for employees conducted
- Positive findings from various **Impact Assessment** studies
- Satin has become a signatory of the **UN Women Empowerment Principles** and collaborated with Value for Women to celebrate women in workplace and further strengthen our Gender Action Plan



Governance - Ensuring Fairness, Trust & Transparency



- Board comprises of 7 members; 5 Independent directors of which 1 is a woman director
- Number of Board Meetings Conducted during the FY23: 7
- Average attendance rate at the Board and Board committee meetings (%): 91% and 95% respectively
- All major committees are headed by Independent directors
- Strong grievance redressal mechanism; over 99% of customer complaints resolved within TAT
- Strong compliance with transparent disclosures
- Board diversity & inclusion, whistle-blower, anti-bribery, anti-corruption, anti-money laundering, IT security, taxation – all policies in place
- Compliance focused organization - 0% tolerance for non-compliance of regulations and policies



SDGs in the Core of Our Community Connect Activities



Financial Literacy Workshops

In collaboration with RBI and Sa-Dhan, as of date, we have conducted 15 workshops in the states – Rajasthan, Jharkhand and Chhattisgarh, aiming to educate our clients about the significance of responsible financial planning, saving, and investing.

Lives Impacted – 848



Health Camps

In collaboration with our partner DocOnline, we have conducted seven health camps wherein our clients were given basic health checkups and consultation with the senior doctors through video conferencing.

Lives Impacted – 450



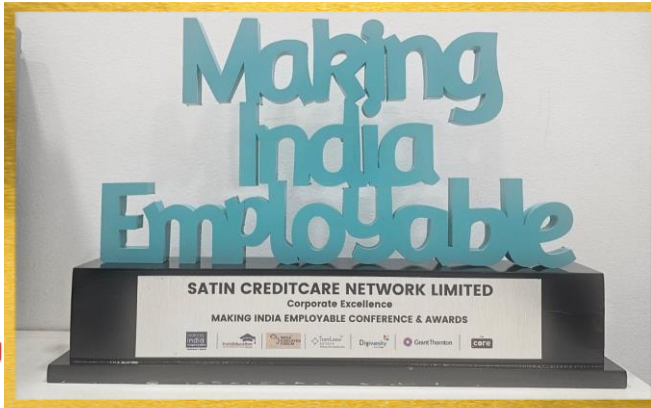
Scholarship to the Underprivileged Students

With our aim to promote inclusive education for all, we Supported education of less privileged students at GNA University, Punjab.

Lives Impacted – 341 students



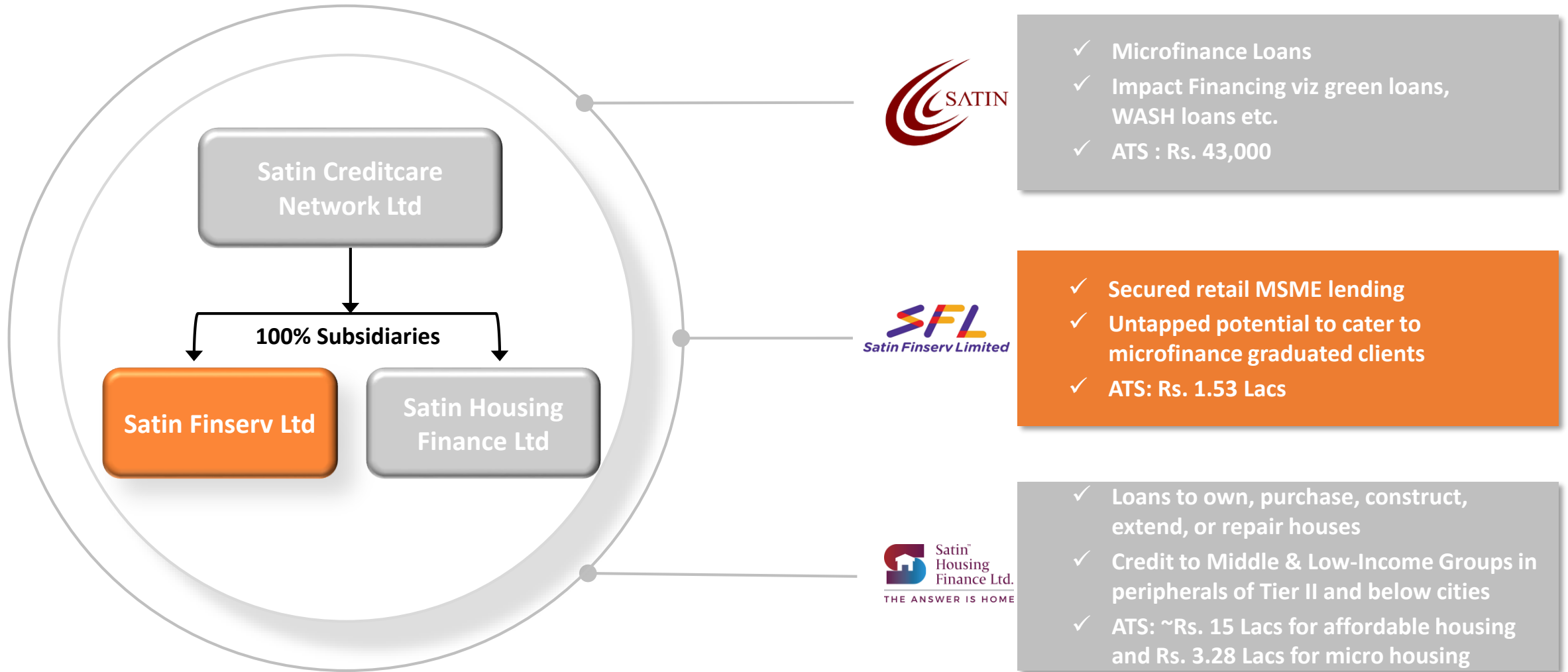
Spotlight : Prestigious Accolades



“ Won Corporate Excellence Award in the Education and Employability activity by Making India Employable Awards 2023 ”



“ Won Skoch Award in the Silver Category For Loan Management System ”



Bhuvnesh Khanna

President – Satin Finserv Limited

- ✓ A Chartered Accountant with 25+ years of post qualification experience
- ✓ Worked across Investment Banking, Corporate Banking, SME Banking and Retail Banking roles
- ✓ Comes with experience in National, Regional and Global roles and is known for his role as a coach and mentor to the team
- ✓ Worked with leading brands including Kotak Mahindra, HDFC Bank, Deutsche Bank and HSBC



Macro Environment & Demand



Microfinance customer universe

There are around 218 microfinance lenders in India with a customer base of 7 crore & AUM of Rs. 3.50 Lacs crore

Approx. 40% of these are 2nd cycle plus customers with need of larger ticket financing

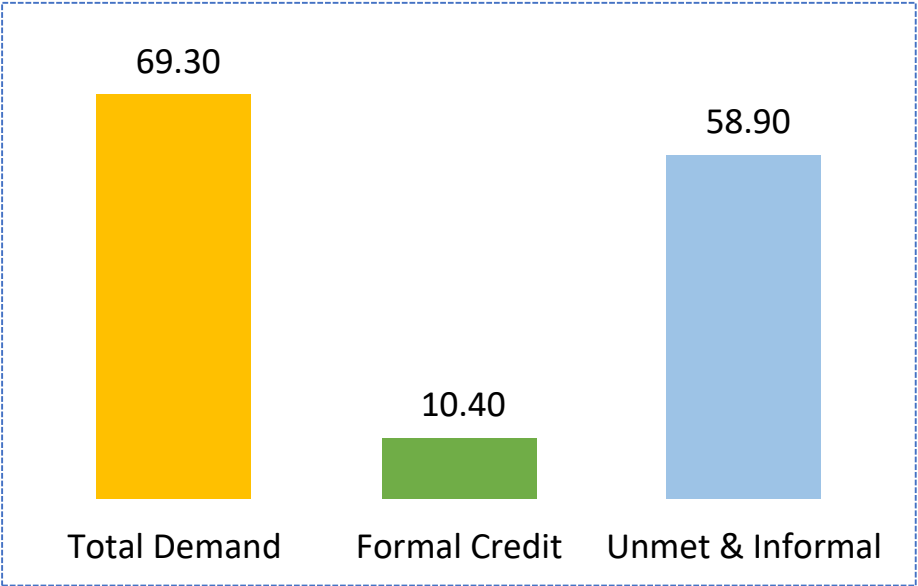
Our proposition is to cater 2nd cycle + customers with an ATS of Rs. 2 Lacs. This gives us an immediate market of Rs. 6 Lacs crore & another prospective market of Rs. 8 Lacs crore in next 2 to 3 years

MSME universe

Total credit demand of Rs. 69.30 Lacs crore for MSME's; only Rs. 10.40 Lacs crore funded through formal sources & Rs. 58.90 Lacs crore is unmet or funded from informal sources

c. 7.5 crore MSME's in India; 5.0 crore are new to credit (NTC)

MSME Credit Demand (Rs. Lacs crore)



Products Offered



Focus on “Micro-MSME enterprise loan, informal segment with no digital footprint

Loan Product	Purpose	Ticket Size (Rs.)	Tenor	Collateral
Small Ticket Business Loan (Micro MSME)	<ul style="list-style-type: none">Income Generation activitiesWorking Capital	1 Lacs to 3.5 Lacs	upto 5 year	Property

Small Ticket Business Loans

Agriculture Business



Retail / Trading



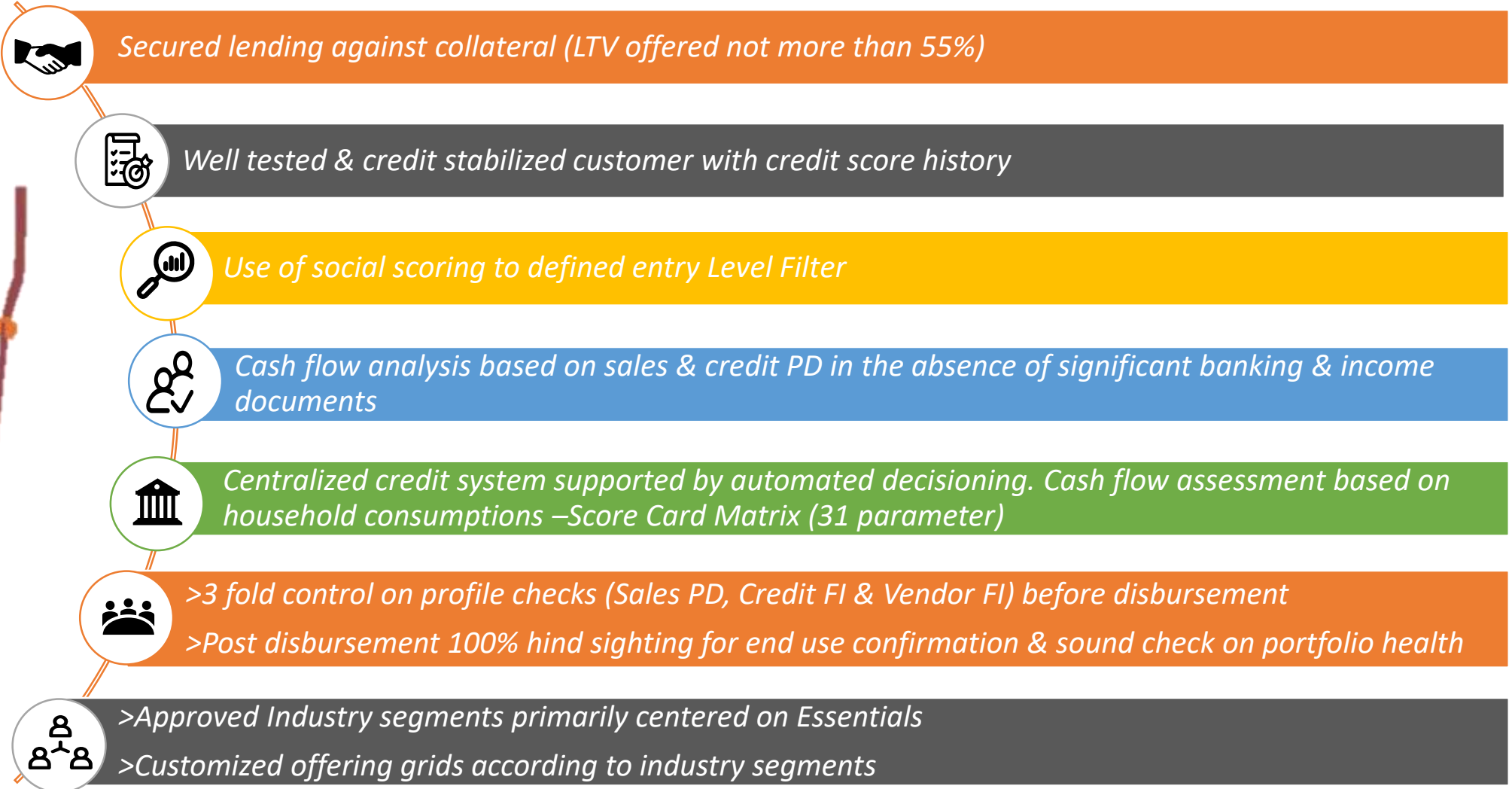
Service



Manufacturing



Our Strengths



01

Incorporation & business commencement in 2018-19

02

4 years of profitable operations, a testimony to proven business model

07

Strengthening governance – Enhancing compliances & Internal Audit

03

Merger of Taraashna Financial (business correspondent arm) with SFL in Mar'23. Steadily stabilizing & maintaining business at current level

06

People- Focus on Right Hiring, Training & Attrition management

04

Overall AUM of Rs. 654 crore & GLP for SME book of Rs. 251 crore as of Jun'23







05

Credit tested product & robust underwriting process through stabilized scorecard encompassing 31 parameters



Key Success Parameters



	Bucket of the seasoned 2 nd Cycle + customer of microfinance loans	Customer Composition
	PAR 90 < 2.5% for small ticket size loans, comprising ~90% of total portfolio Industry average of 5% [#]	Credit Quality
	Direct sourcing through field enabling lower cost of acquisition	Cost of Acquisition
	Bringing operational efficiency through digitization in overall customer journey from login to closure	Operational Efficiency
	Diversified across 10 states	Diversified Reach
	Separate team for soft & hard bucket collection with resourceful legal tool	Robust Collection Mechanism

Opportunity (SCNL Presence vs SFL Presence)



Satin Creditcare

States: 24
Branches: 1096
Customer: 27.9 lacs

Leveraging infrastructure

Customer Base

SFL existing

States: 10
Branches: 28
Customer : 12,400

- 2nd cycle + customer base of ~11.7 Lacs. Monthly upgrading for higher ticket loan requirement.

Monthly conversion of ~2.5% on average
ticket size of Rs. 2 Lacs

Untapped Potential

Additional AUM of
Rs. 600 crore/month

Key Numbers



Rs. **682** crore
AUM



Rs. **225** crore
SME AUM



178
BRANCHES



4.14%
GNPA



2.79%
NNPA



Rs. **8** crore
PBT



Rs. **6** crore
PAT



2.1%
RETURN ON ASSETS



4.5%
RETURN ON EQUITY



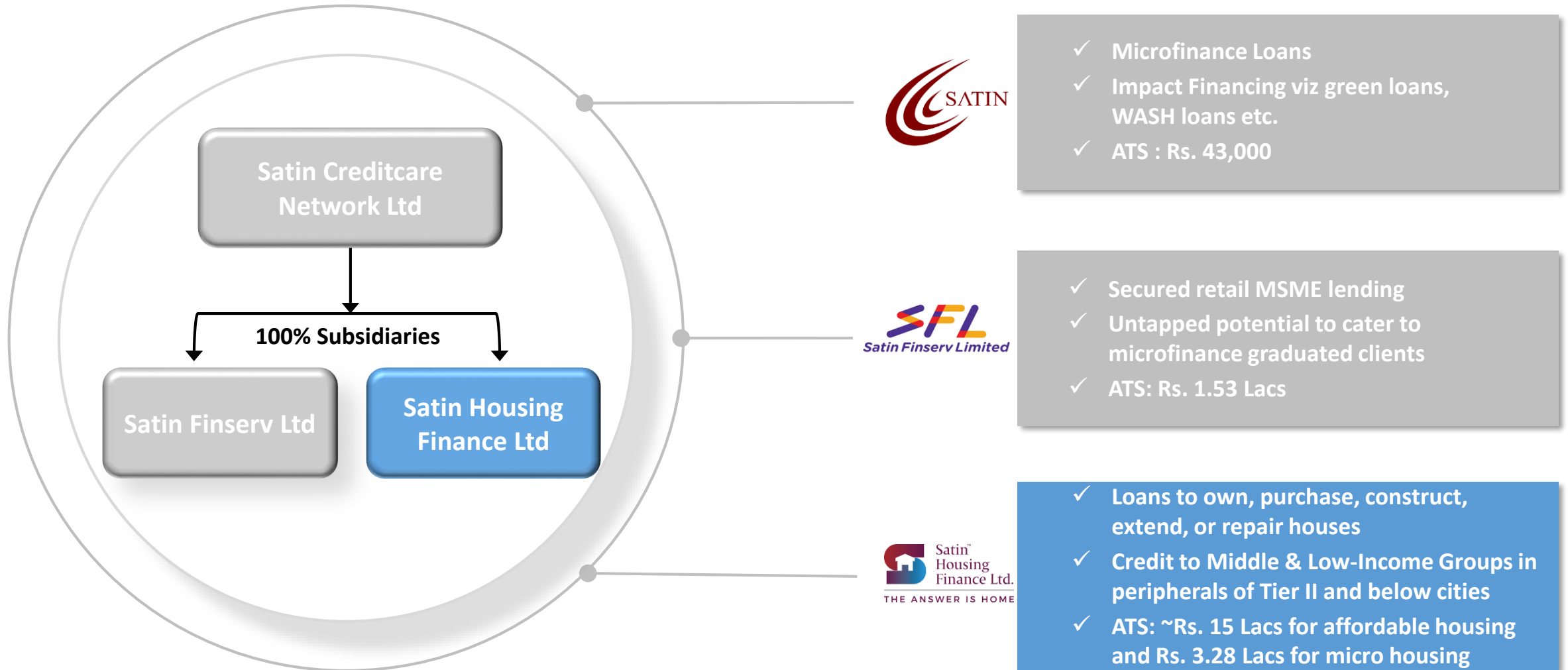
BBB+
CREDIT RATING



Outlook for next 5 years



Particulars	Q1FY24 (Actual)	FY24E	FY25E	FY26E – FY28E
GLP Growth (%)	45%	60%	70%	50%+
NIM (%)	12.40%	13.50%	12.75%	13.50% - 15.50%
Cost-to-Income Ratio (%)	89%	85%	75%	60% - 45%
Operating cost/AUM (%)	11.10%	11.60%	9.50%	8.00% - 7.00%
Credit Cost (%)	1.00%	1.00%	1.15%	1.40% - 1.80%
RoA (%)	1.25%	1.30%	2.40%	3.75% - 5.00%
RoE (%)	3.00%	3.30%	7.80%	15.00% - 22.00%
Capital Adequacy	41%	45%	30%	Above 25%
Debt/Equity	1.3x	1.4x	2.75x	3x-4x



Amit Sharma



MD & CEO – Satin Housing Finance Limited

- ✓ Over 22 years of experience across BFSI sector, both in domestic and international markets
- ✓ Previously worked with Karvy Finance Ltd, Religare Group, P.N. Vijay Financial Services, Abhipra Capital Ltd and the Association of National Exchange Members of India
- ✓ Qualified Company Secretary (CS), B.Com (Hons) & LLB from Delhi University



What We Are



Strong Management Team with 100+ Years of Combined Housing Finance Experience



One of the few Companies getting refinance from NHB within 18 months of Operations



Diversified Borrowing Profile with Top Public and Pvt. Banks with Positive ALM (BBB+ Ratings from CARE & Infomercials)



Zero Non Compliance Observation as on date from any of the regulator



Zero Restructured Accounts since inception with no write-Off



Nil NPA till 4 years of operations and minimal delinquency till date even after facing 2 Covid Cycle's



No Willful Default or Fraud since inception



High Quality Rural Portfolio of around Rs. 45 crore with 1400 customer base and Nil NPA's

Strong Portfolio Quality



1

Character
(Banda - Borrower)

2

Capacity
(Dhandha – Business)

3

Collateral
(Security - Property)

Business Building Blocks



1

Direct Customer Acquisition

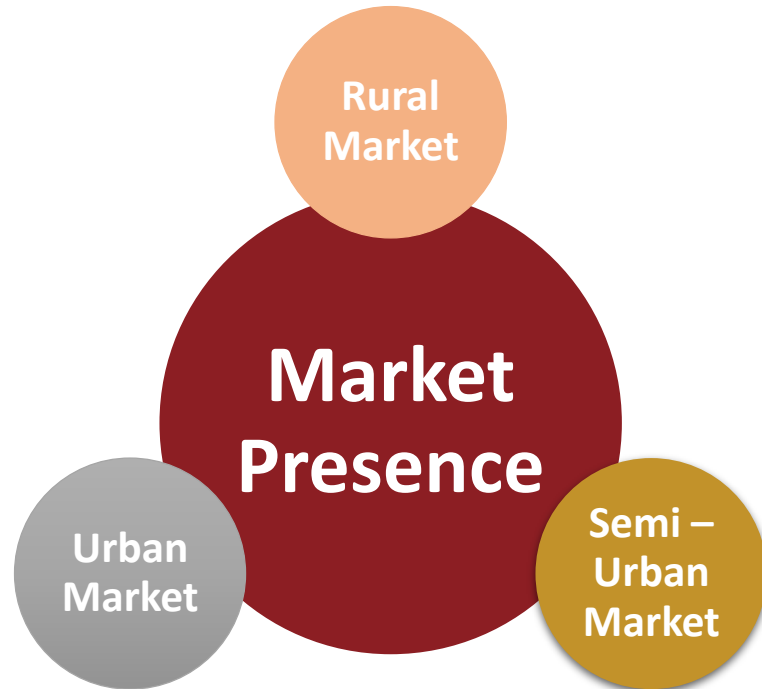
2

100% Retail Home Loan Book

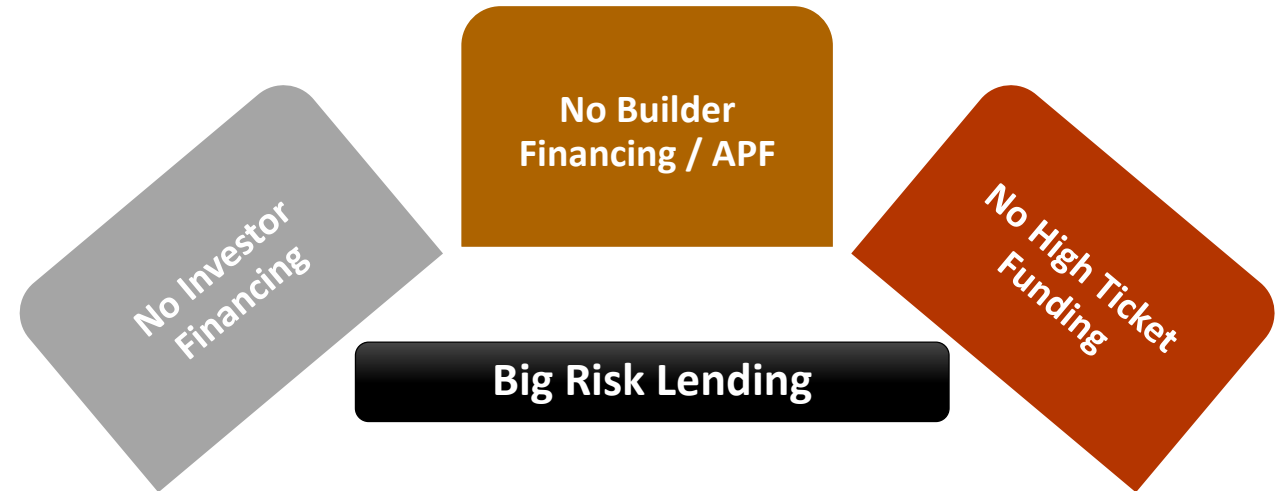
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Automated IT Process

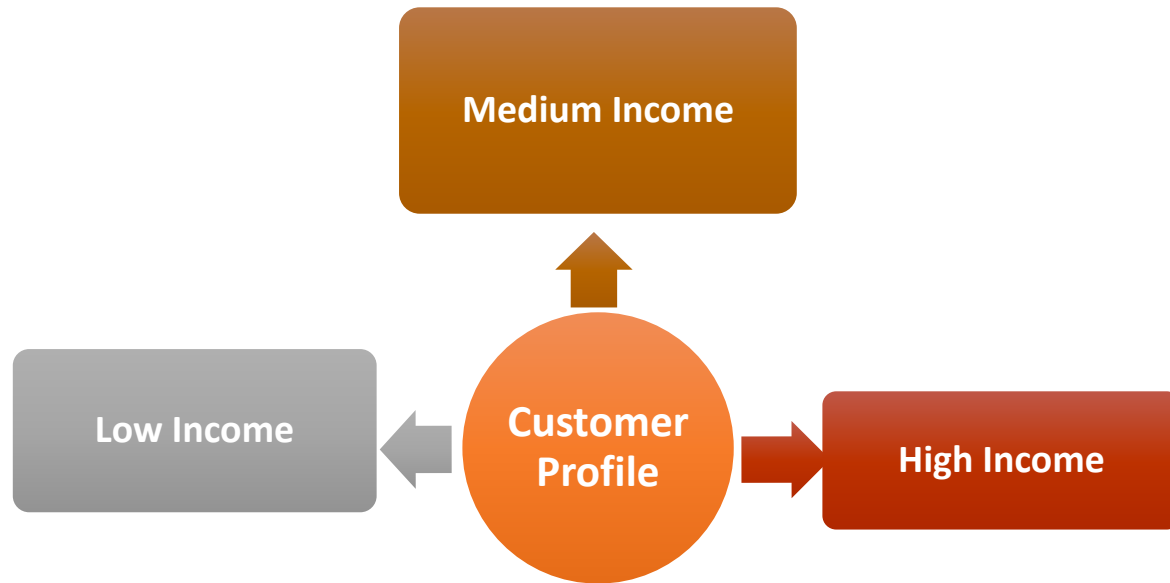
De-Risk Strategy



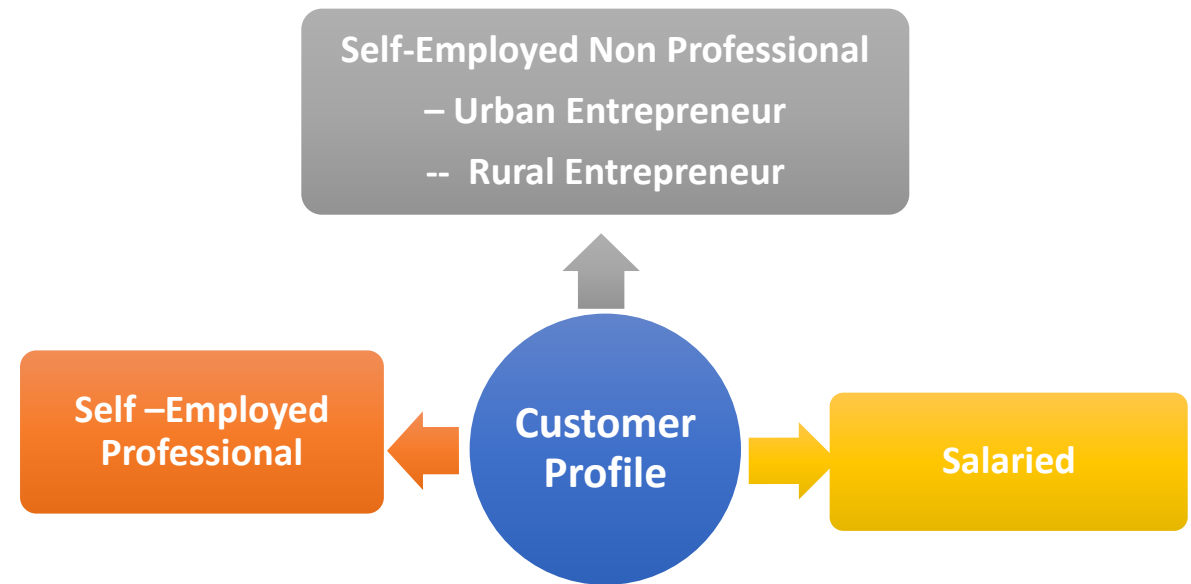
What We Don't Do



Customer Segmentation Basis Income



Customer Segmentation Basis Profession





Physical branch model for sourcing and credit assessment, helping in better customer connect and understanding of regional challenges and threats



Strict FOIR & LTV policies



Hired **localized and experienced credit professional** from the market having minimum work experience of 5 years & above for better credit assessment



Checking borrower's work experience and stability; **funding to the end users**



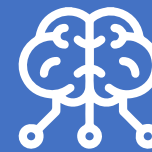
100% sales and **credit PD mandatory** & rigorous personal discussion of each profile irrespective of profession



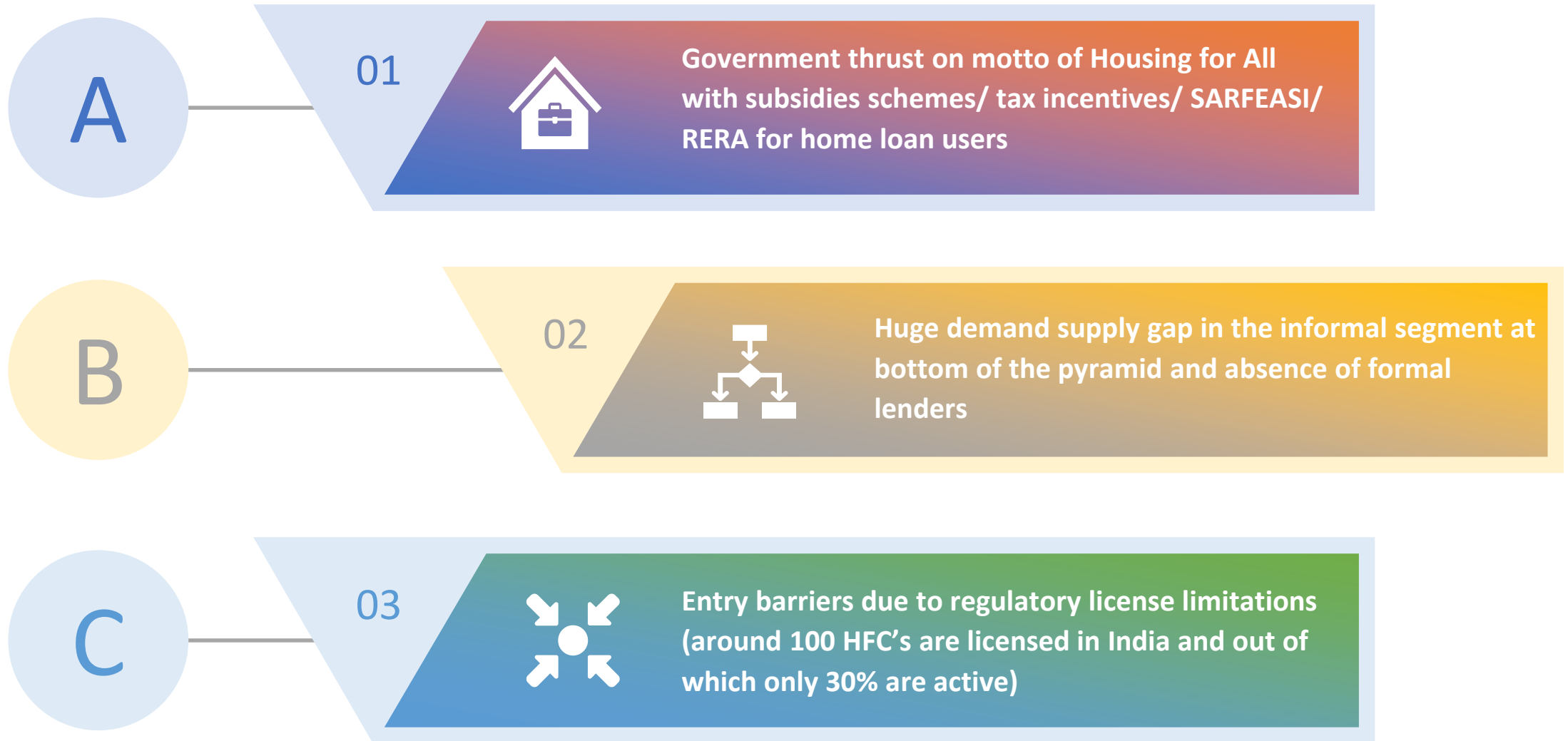
Women borrower/ co-borrower mandatory



Cash flow based assessment instead of relying only on collateral value



EMI limits restricted to Rs. 6,500/- for micro loans maximum amount upto Rs. 5 Lacs in rural market



Open Market Business Opportunity

Market Size of Affordable/ Rural Housing Finance

- The size of market for ticket size upto Rs. 10 Lacs is more than Rs. 4 Lacs crore



Outreach coupled with tailored loan products delivered at door step

Opportunity to leverage on SCNL's vast geographical presence

- Tapping the High Income Customers of SCNL, with opportunity of Rs. 7,000 crore, assuming 10% conversion of existing customer base

Key Numbers



Rs. **505** crore
AUM



Rs. **146** crore
NET WORTH



30
BRANCHES



0.34%
GNPA



0.27%
NNPA



Rs. **8** crore
PBT



Rs. **6** crore
PAT



1.7%
RETURN ON ASSETS



5.0%
RETURN ON EQUITY



BBB+
CREDIT RATING



Outlook for next 5 years



Particulars	Q1FY24 (Actual)	FY24E	FY25E	FY26E – FY28E
GLP Growth (%)	6.64%	50%+	50%+	50%+
NIM (%)	5.44%	7.00% - 7.25%	7.00% - 7.25%	7.00% - 7.25%
Cost-to-Income Ratio (%)	84.8%	70.0% - 75.0%	65.0% - 70.0%	50.0% - 55.0%
Operating cost/AUM (%)	5.41%	5.00% - 5.25%	4.75% - 5.00%	4.00% - 3.00%
Credit Cost (%)	0.00%	0.50% - 0.65%	0.50% - 0.65%	0.50% - 0.65%
RoA (%)	0.76%	1.40% - 1.60%	1.80% - 2.00%	2.50% - 3.00%
RoE (%)	2.59%	5.00% - 5.50%	7.00% - 7.50%	10.50% - 15.00%
Capital Adequacy	46.0%	45.0% - 50.0%	35.0% - 40.0%	>30.0%
Debt/Equity	2.46x	2.5x - 2.8x	3.0x - 3.25x	3.25x - 4.00x

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