



SATIN CREDITCARE NETWORK LTD.
Reaching out!

Strong Quarter for Satin Group: Clocking Rs. 10,000 Crore Assets Under Management; PAT up by 87%

27th October 2023, New Delhi

Satin Creditcare Network Limited (SCNL) (NSE: SATIN, BSE: 539404) has announced its unaudited financial results for the quarter and half year ended 30th September 2023. The financial numbers are based on IndAS.

Consolidated Highlights

| Particulars (Rs. crore) | Q2 FY24 | Q2 FY23 | % Change | Q1 FY24 | % Change | H1 FY24 |
|-------------------------------|---------|---------|----------|---------|----------|---------|
| Assets under Management (AUM) | 10,100 | 7,575 | 33% | 9,535 | 6% | 10,100 |
| Disbursement | 2,403 | 1,709 | 41% | 2,122 | 13% | 4,525 |
| Profit After Tax (PAT) | 107 | 57 | 87% | 88 | 22% | 195 |
| Return on Assets (RoA) | 4.76% | 3.08% | +168 bps | 4.27% | +49 bps | 4.53% |
| Return on Equity (RoE) | 23.57% | 16.18% | +739 bps | 20.97% | +260 bps | 22.07% |

Footprints and Outreach

| Particulars | Q2 FY24 | Q2 FY23 |
|-----------------------|---------|---------|
| States & UTs | 24 | 23 |
| Branches | 1,335 | 1,237 |
| No. of Employees | 12,727 | 10,555 |
| No. of Loan Officers | 8,863 | 6,996 |
| No. of Clients (Lacs) | 32.1 | 26.8 |

Standalone Highlights

| Particulars (Rs. crore) | Q2 FY24 | Q2 FY23 | % Change | Q1 FY24 | % Change | H1 FY24 |
|-------------------------------|---------|---------|----------|---------|----------|---------|
| Assets under Management (AUM) | 8,894 | 6,417 | 39% | 8,367 | 6% | 8,894 |
| Disbursement | 2,202 | 1,564 | 41% | 1,980 | 11% | 4,182 |
| Profit After Tax (PAT) | 103 | 55 | 89% | 86 | 20% | 189 |
| Return on Assets (RoA) | 4.72% | 2.96% | +176 bps | 4.28% | +43 bps | 4.52% |
| Return on Equity (RoE) | 19.72% | 12.80% | +692 bps | 17.52% | +220 bps | 18.49% |

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Update on Q2 and H1 FY24

- PAT stood at Rs. 189 crore, RoA at 4.5% & RoE at 18.5%; highest ever profitability in last 5 years
- Observed strong net customer addition of 4.1 Lacs
- First-cycle clients account for 49% of AUM
- At the time of disbursement, ~31% of clients have Satin as the only lender
- Collection against write-offs was ~Rs. 28 crore
- With operational efficiencies playing out, Opex to Avg AUM has reduced to 5.8% as compared to 7.0% in H1 FY23, decreased by 120 bps
- Cost to Income ratio stood at 45.6%

Capital Adequacy and Liquidity

- Our capital base is strong with a capital adequacy ratio of 25.7% as on 30th September 2023
- Book Value per Share at Rs. 191 on a consolidated basis
- Raised ~Rs. 33,000 crore in the last 6.5 years; absolutely clean repayment track record with no delay / default since inception
- During H1, raised Rs. 4,848 crore which is up by 93% as compared to H1 FY23
 - ~76% via on-book borrowing
- The Company continues to maintain a healthy balance sheet liquidity of ~Rs. 1,400 crore and has undrawn sanctions worth Rs. 1,018 crore as on 30th September 2023

Borrowing Profile

- Total borrowings stood at Rs. 6,816 crore as on 30th September 2023
- Debt-to-equity ratio as on 30th September 2023 stood at 3.1x
- 64% of our borrowings are from banks, followed by overseas funds at 16%, NBFCs at 12% and DFIs at 8%
- The Company has a diversified and large lender base of 72 active lenders
 - Added 9 new lenders to the portfolio

Asset Quality

- On-book Gross Non-Performing Assets stood at 2.38% amounting to Rs. 157 crore as on 30th September 2023 as compared to 3.96% as on 30th September 2022 amounting to Rs. 198 crore
- The portfolio originated from Jul'21 onwards which constitutes ~96% of on-book MFI portfolio is showing excellent performance with PAR 1 at 1.5% and PAR 90 at 0.7%; better than industry portfolio quality post pandemic
- We have sufficient on-book provisions amounting to Rs. 124 crore as on 30th September 2023, which is 1.9% of on-book portfolio
- Gross cumulative collection efficiency for H1 FY24 stood at 99.0%
- Update on AMFIRS
 - Received first tranche of Rs. 10.7 crore under the category III of the Assam Micro Finance Incentive and Relief Scheme 2021 (AMFIRS)

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Subsidiaries - Both the subsidiaries are profitable during H1 FY24

- Satin Housing Finance Ltd. witnessed YoY growth of 57% in AUM, which stood at Rs. 567 crore, having presence across 4 states with 6,028 customers
 - GNPA stood at 0.79% highlighting strong asset quality
 - SHFL has 100% retail book
 - The Company has 22 active lenders including NHB refinance
 - CRAR of 51.1% and gearing of 2.2x
 - PAT for H1 FY24 stood at Rs. 2.8 crore
- Satin Finserv Ltd., the Company's MSME & BC arm has reached an AUM of Rs. 638 crore
 - GNPA stood at 4.72%
 - CRAR of 51.6% and gearing of 0.9x
 - PAT for H1 FY24 stood at Rs. 2.3 crore

Commenting on the performance, Mr. HP Singh, Chairman cum Managing Director of Satin Creditcare Network Limited, said, "It is amazing to witness that we have embarked on our 34th year of excellence in fostering womenpreneurs bolstered by sustained and robust growth momentum throughout the first half of FY23 in tandem with the thriving rural economy. As evident from our performance across all operational and financial metrics, we have observed a strong second quarter, surpassing the Rs. 10,000 crore AUM and recording the highest ever profitability in the last 5 years, with PAT grew by 87% YoY to 107 crore.

Underpinned by our mission to empower underserved communities at large, we had a healthy disbursement for the quarter of Rs. 2,403 crore on a consolidated basis, up by 41% year on year. Additionally, we have been able to make strong net customer additions of 4.1 Lacs in the H1 FY24.

Through harnessing our subsidiaries, we have been able to wide-reach our influence with the right approaches, offering the right solutions to the people who are in need of these solutions and to further validate the success, both the subsidiaries are profitable.

Furthermore, our inherent adherence to ESG principles and our strong compliance standards have helped us earn the ESG AA rating, the highest grade rating and secured the Top Spot across the industry. This recognition reinforces our mission to drive positive change, not only in the financial sector but also in the communities we serve and going forward, we will continue to champion sustainability and innovation to create lasting impact.

Looking at the performance of H1 FY24, we are sanguine to achieve our annual performance guidance for FY 2024 and remain steadfast in our commitment to responsible lending."

About Satin Creditcare Network Limited

Satin Creditcare Network Limited (SCNL or Satin) is a leading microfinance institution (MFI) in the country with presence in 24 states & union territories and 96,000 villages. The Company mission is to be a leading micro financial institution by providing a comprehensive range of products and services for the financially under-served community. The Company also aims to lead in gender empowerment by leveraging on technology and innovation that forge sustainable strategic partnerships.

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The Company also offers a bouquet of financial products in the Non-MFI segment, comprising of loans to MSMEs, affordable housing loans, and business correspondent services. In April 2017, SCNL incorporated a wholly owned housing finance subsidiary (Satin Housing Finance Limited or "SHFL") for providing loans to the affordable housing segment. Acquired in 2016, Taraashna Financial Services Limited or TFSL (now merged with SFL) is engaged in the business correspondent activity with various banks and NBFCs. In January 2019, SCNL received separate NBFC license to commence MSME business through Satin Finserv Limited (SFL). The merger of two wholly owned subsidiaries, TFSL(transferor) with SFL (transfree) got effective from March 2023. As on 30th September 2023, SCNL had 1,335 branches and a headcount of 12,727 across 24 states and union territories serving 32.1 lakh clients.

Disclaimer

This document may contain certain forward-looking statements within the meaning of applicable securities law and regulations. These statements include descriptions regarding the intent, belief or current expectations of the Company or its directors and officers with respect to the results of operations and financial condition of the Company. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in such forward-looking statements as a result of various factors and assumptions which the Company believes to be reasonable in light of its operating experience in recent years. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in government regulations, tax regime and other statutes. The Company does not undertake to revise any forward-looking statement that may be made from time to time by or on behalf of the Company.

Satin Creditcare Network Ltd.

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