



Investor Presentation

Q4 FY 2024















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SBFC – FY24 Performance

Size and Growth	Distribution	Granular Book	Asset Quality	Liability Profile	Profitability
 6,822 AUM YoY +38%	 183 # Branches	 98.8% % Secured	 2.43% GNPA YoY -14 bps	 2,518 Tangible Net worth	 237 PAT YoY +58%
 5,704 Secured MSME AUM YoY +46%	 3,758 Employees	 9.69* 0.92* Average Ticket Size: Secured MSME / LAG (Lakhs)*	 1.36% NNPA YoY -22 bps	 CRAR 40.5% Capital Adequacy	 4.14% Return on AAUM
 2,793 Secured MSME Disbursal Value YoY +23%	 16 States & 2 UTs Pan India presence	 1,29,183 # live customers	 0.82% Credit Cost	 25 Lender Relationship Count	 17.08% Yield YoY +96 bps
 28,818 Secured MSME Disbursal Volume YoY +25%	 100% in-house Sourcing	 LTV 43.6% / 69.0% Secured MSME / LAG	 44.74% PCR	 AA- (Stable) Credit rating ¹	 7.70% Spread YoY +22 bps

Note: All values in ₹ Cr unless stated otherwise, All metrics as of / for FY24 unless stated otherwise;

¹Long term credit rating by India Ratings is **Upgraded** in Q3 from A+ (Stable) to AA- (Stable)

Executive Summary – Q4 FY24



Asset Under Management

6822

+38%

+9%

Disbursement¹

724

+15%

+2%

Branches

183

+31

+6

Gross NPA

2.43%

-14 bps

+5 bps

Yield / Spread

17.6% / 8.3%

+112 / +76 bps

+44 / +52 bps

Opex to AAUM

5.01%

-57 bps

-47 bps

PAT

73

+72%

+15%

RoAAUM

4.56%

+83 bps

+25 bps

RoATE

11.90%

+6 bps

+113 bps

¹Secured MSME
All figures are in ₹ Cr

YoY

QoQ



About the company
Management and Shareholders
Business
Technology
Credit
Collections
Financials
Corporate Social Responsibility

Executive Summary



Team: Experienced, cycle-tested, professional management with strong corporate governance backed by marquee investors



Focused Segment: Offering Secured MSME loan to small businesses with focus on ₹5 lakh - ₹30 lakh ticket size



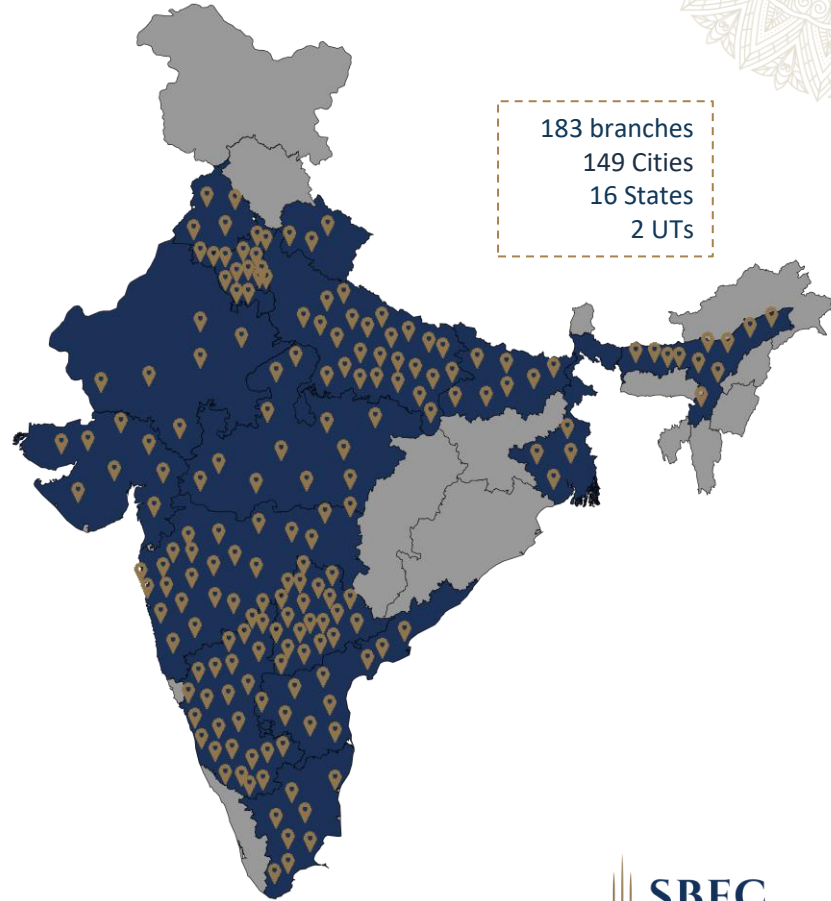
Opportunity: Market size (₹5 lakh - ₹30 lakh MSME financing) of ₹2.5 lakh crore, growing at 24%¹



Go to Market Approach: Diversified pan-India network with presence in 16 states & 2 UTs: top state at 17% AUM



Credit Underwriting: Understanding of segment with a tested credit underwriting and risk management framework



¹CRISIL Industry Report

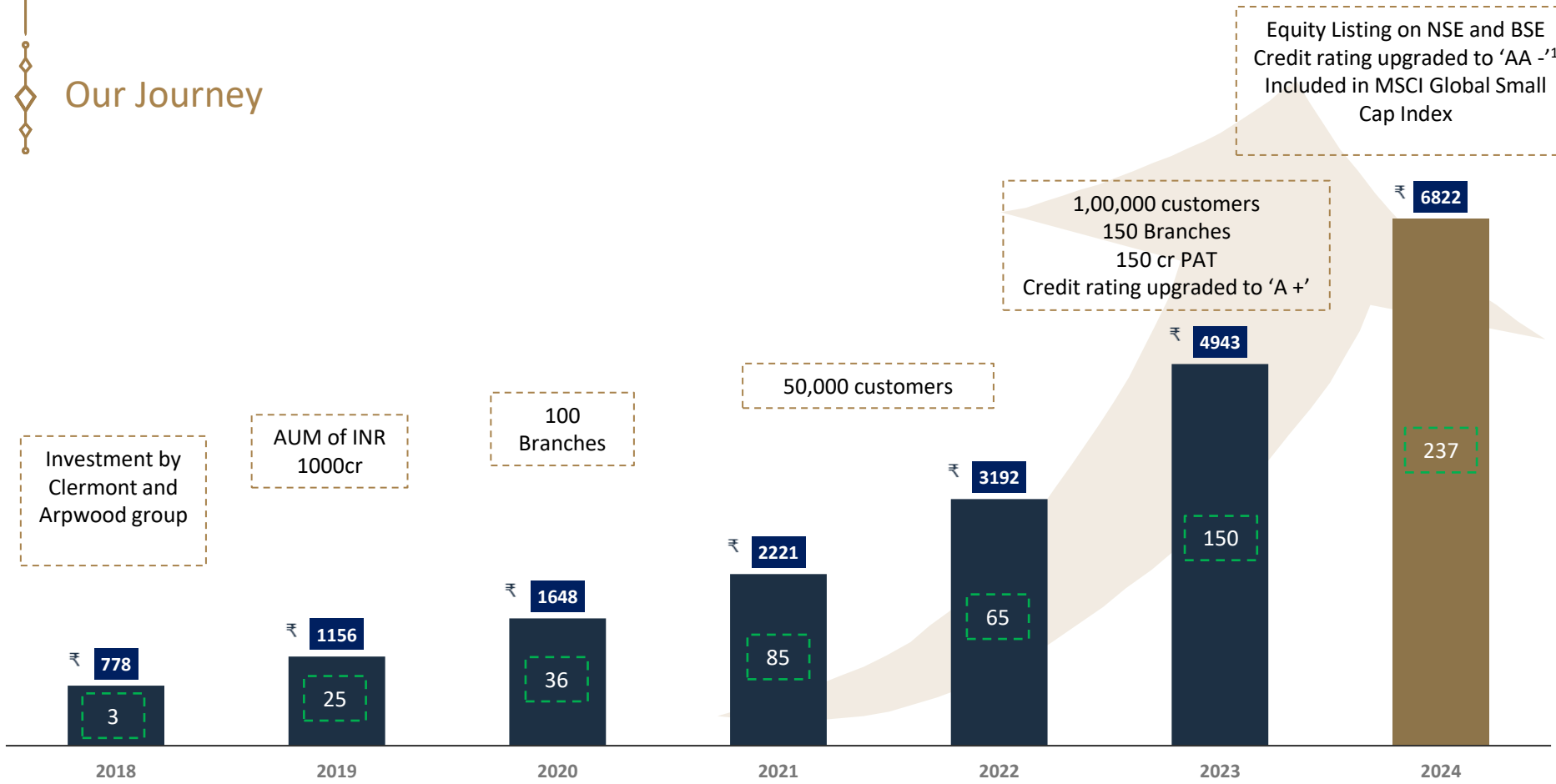
SBFC Focus Segment – customers borrowing ₹0.05 to ₹0.3 cr

Large segment within MSME of ₹2.5 lakh cr and growing at CAGR 24%

Segment	Market Size ¹ (₹ tn)	CAGR ² (%)	% of Market	
>₹1 cr	3.6	13.1%	42%	
₹0.5 – 1 cr	1.1	17.0%	13%	
₹0.3 – 0.5 cr	0.9	20.4%	10%	
₹0.05– 0.3 cr	2.5	23.7%	30%	Focus Segment
<₹0.05 cr	0.5	29.3%	6%	
Total	8.5	17.7%	100%	

Source: CRISIL Industry Report;
¹ As of Mar-23;
² CAGR period over FY18 to FY23

Our Journey



¹Long term credit rating by India Ratings

All figures in ₹ Cr

AUM

PAT



Management

Experienced, cycle-tested, professional management



Aseem Dhru

MD & CEO



Mahesh Dayani

Chief Business Officer



Narayan Barasia

Chief Financial Officer



Pankaj Poddar

Chief Risk Officer



Sanket Agrawal

Chief Strategy Officer and IR



Sumeet Ghai

Chief Human Resource Officer



Ganesh Vaidya

Chief Technology Officer



VM Maneesh

Chief Operating Officer



Sai Prashant Menon

Chief Collection Officer

Board of Directors

Strong corporate governance backed by long term investors

Independent



Neeraj Swaroop
Chairman of the Board



Rajesh Agrawal
Jt. Managing Director,
Ajanta Pharma



Surekha Marandi
Ex Executive Director,
RBI



Ravi Venkatraman
Ex Executive Director &
CFO,
Mahindra & Mahindra
Financial Services



Koni Uttam Nayak
Ex Senior Vice President,
Visa Direct Organization
at Visa



John Mescall
Managing Director
Clermont Group



Jonathan Tatur
Senior Vice President
Clermont Group



Managing
Director



Aseem Dhru
MD & CEO

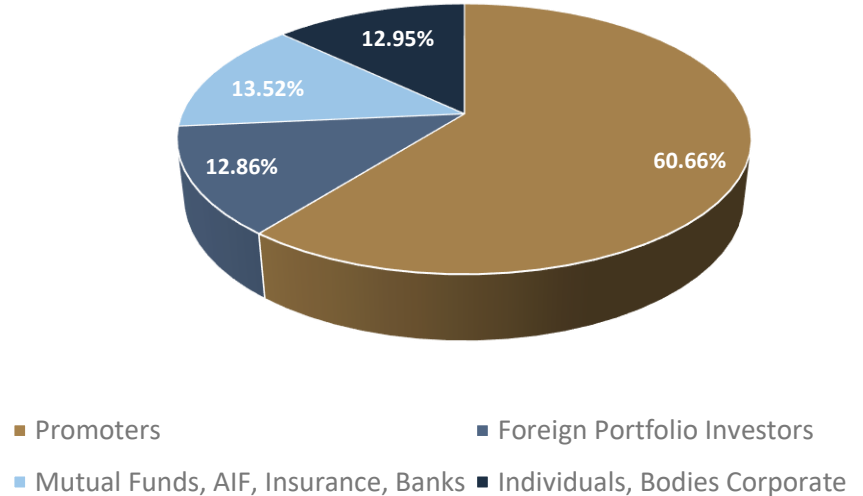
Shareholding

Category of Shareholders	% Share
Promoters	
Clermont Group	55.21%
Arpwood Group	5.45%
Other Major Shareholders	
SBI Mutual Fund	7.22%
Amansa	4.13%
Malabar Funds	4.12%
Steadview Capital	1.86%
Aditya Birla	1.53%
Massachusetts Institute of Technology	1.46%

Management & Employees hold 11% of diluted share capital

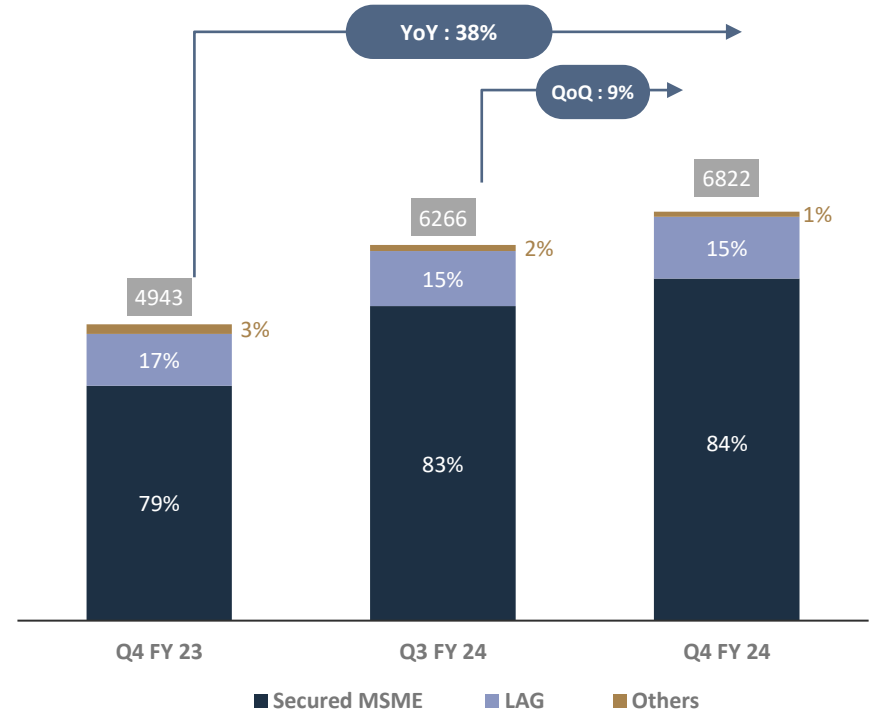
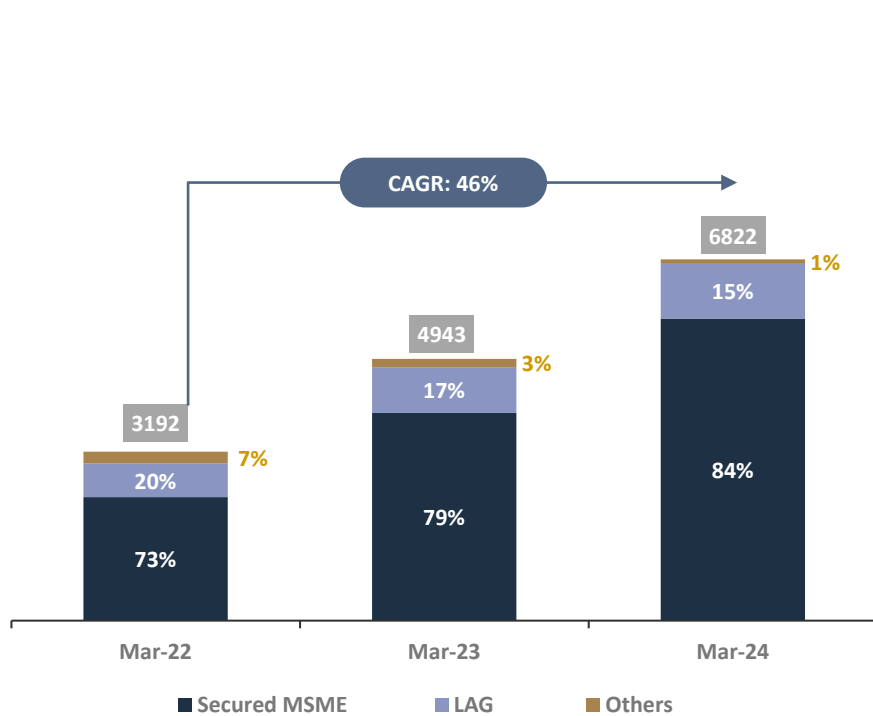
Non-diluted Status as on March 31 2024

Shareholding Pattern



Business Momentum

Delivering rapid growth in recent years

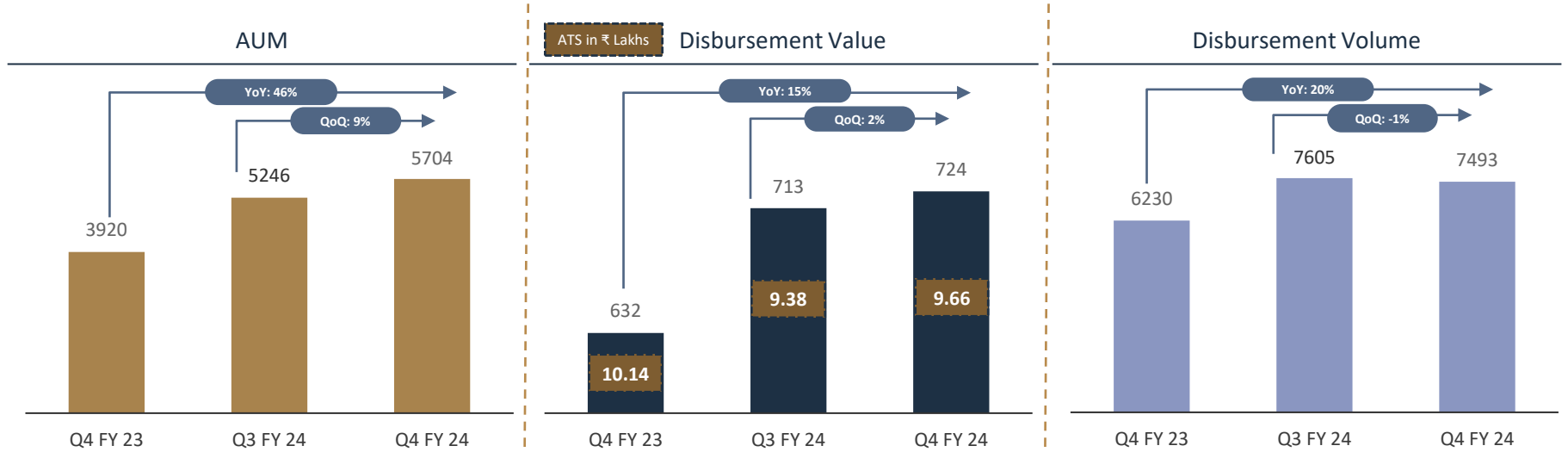


All figures in ₹ Cr.

AUM

Business Momentum – Secured MSME

Growth in both Volume & Value

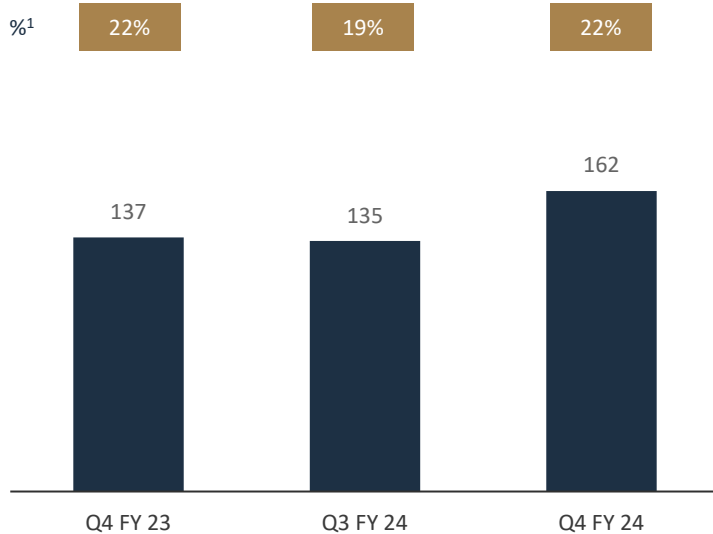


AUM Secured MSME
All figures in ₹ Cr

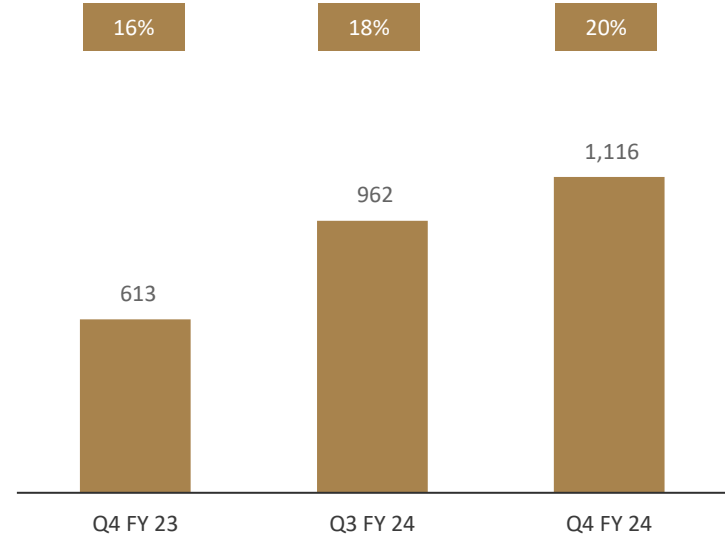
Business Momentum

Co-origination – Validates our profitable origination

Co-origination Disbursement (₹ Cr)



Co-origination AUM (₹ Cr)

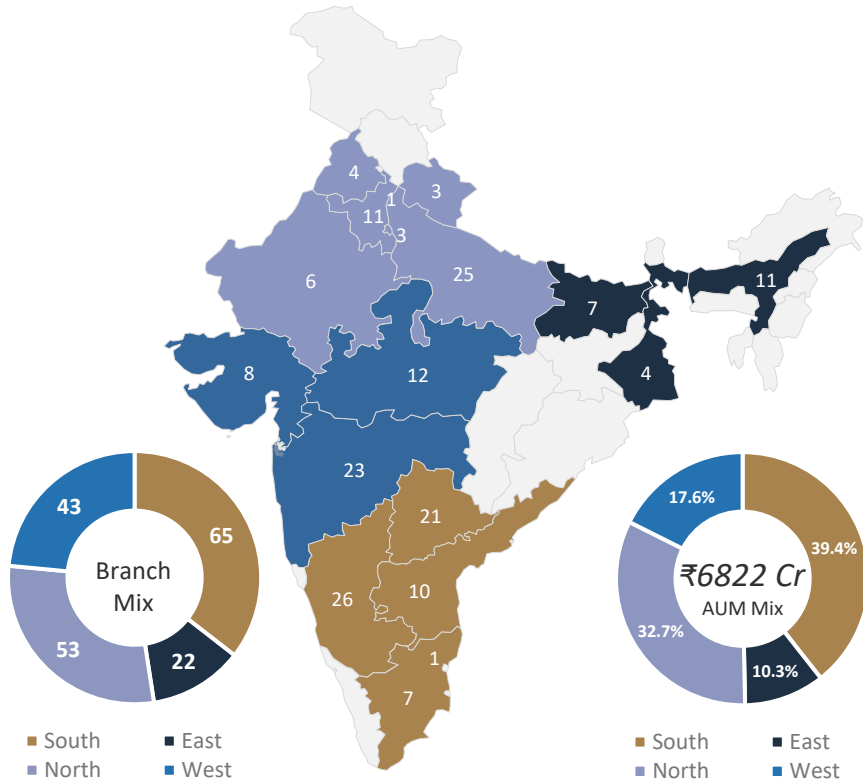


¹Percentage is on Total Secured MSME Loans

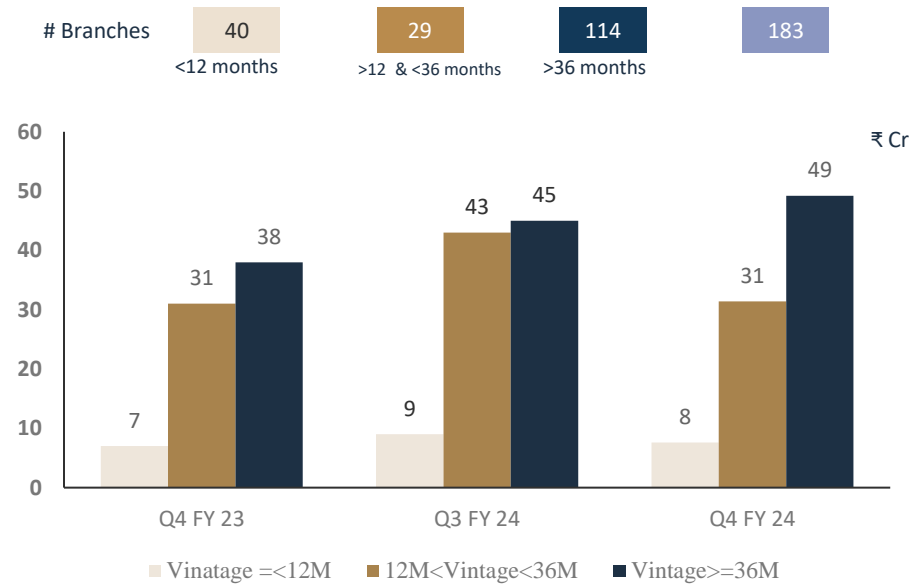
Business Momentum

No concentration risk & well distributed growth

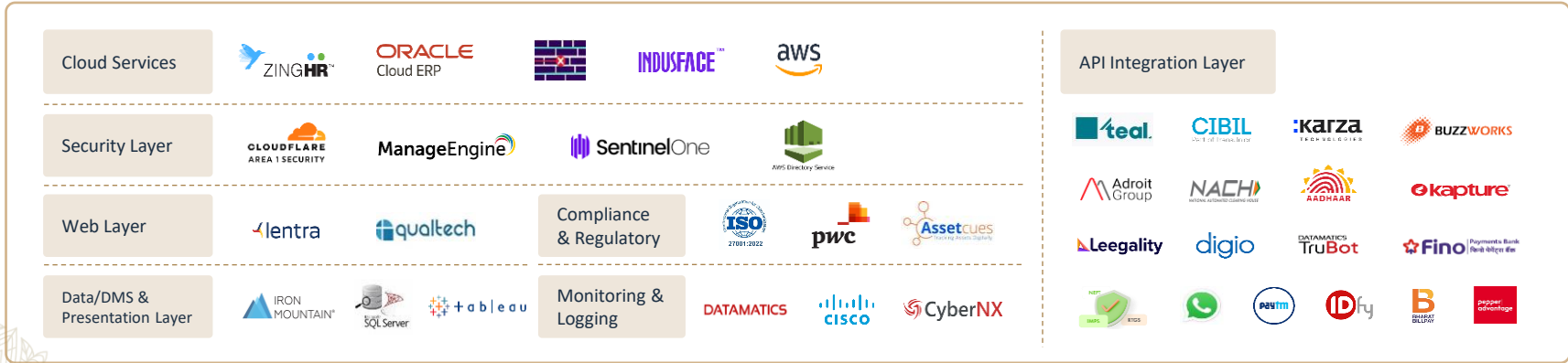
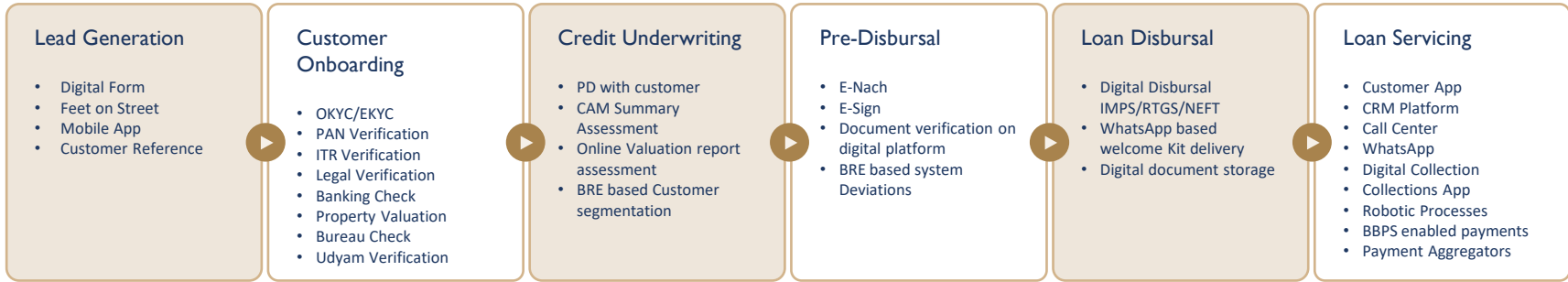
Present in 16 states, 2 UTs covering 149 cities via 183 branches



Driven by steady rise in AUM per branch



Technology Landscape



Credit Underwriting

Tailored to service underserved, underbanked informal customers

Most small businesses in India have challenges



Partial Income Proof



Limited Commercial Credit History



Collateral with local nuances



Bank Statements with Limited Transactions



Small scale businesses lack resilience

SBFC's business model, backed by experience in this segment

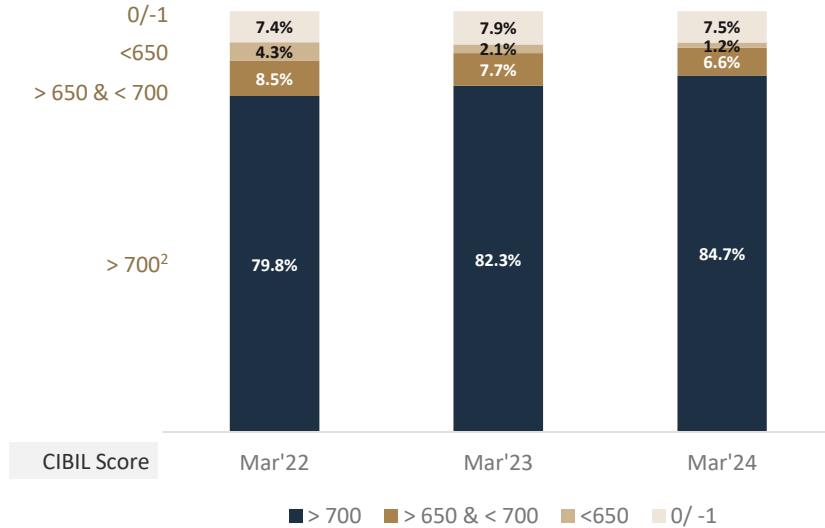
- Credit officer spends time to understand income & cash flow (documented + non-documented) at family level
- Evaluation of historical asset creation
- SBFC customers are often first-time commercial borrowers with past consumer loans
- Reference check from the neighbourhood, locality and their customer and suppliers
- Local team with knowledge of local nuances and local collateral dynamics
- Spouse or parent act as co-borrower on all loans
- Analytics driven 'customer segmentation'
- Triangulation of income sources from multiple data points
- Focus on services/ trading/ retailing businesses
- Customer with businesses in essential services - less impacted by macro down-cycles

Deep understanding of customer behavior (over 70K MSME customers) & strong knowledge of local markets (16 states, 2 UTs)

Credit Underwriting

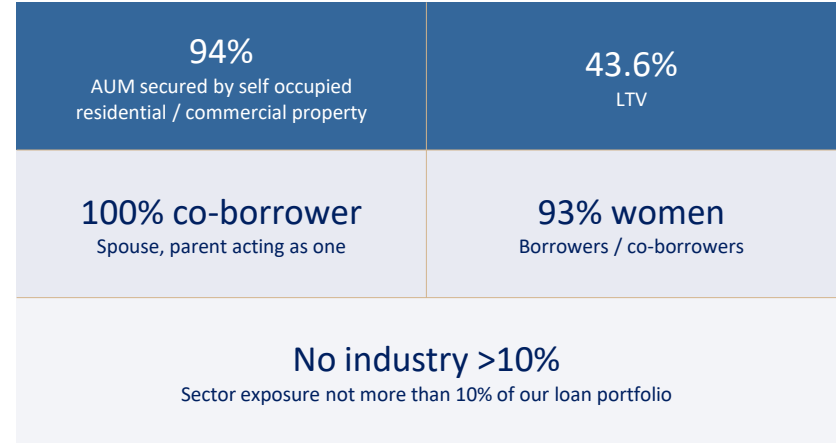
Quality borrowers with credit score above 700

Over 84% AUM from customers with CIBIL >700^{1,2}

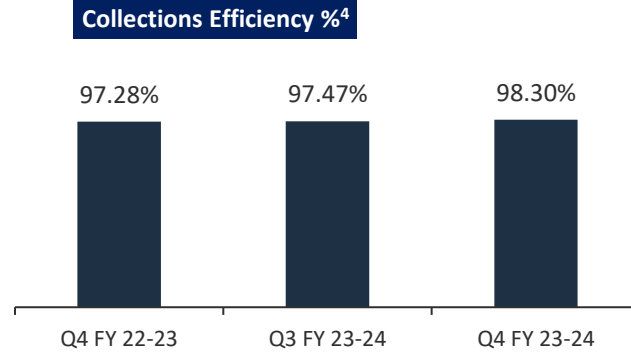
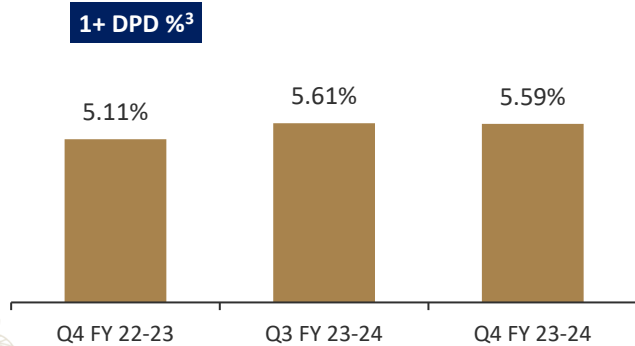
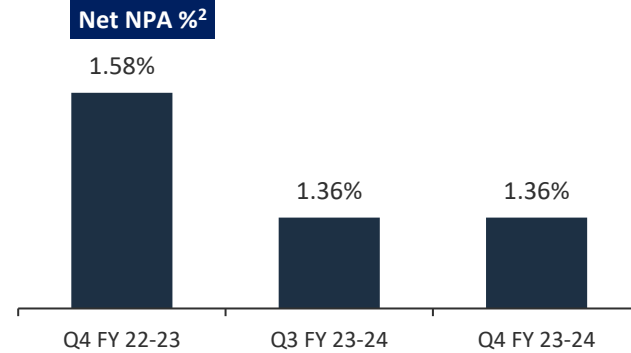
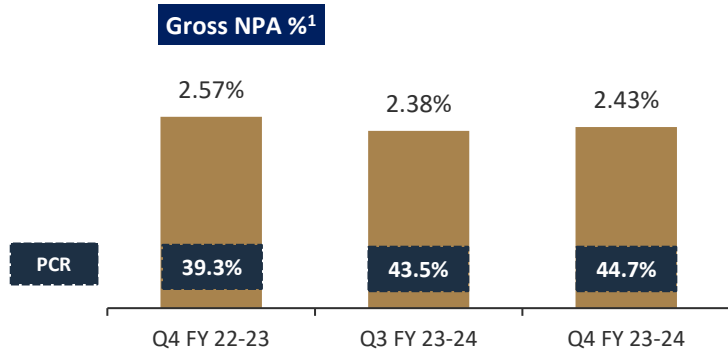


¹Pertains to secured MSME Loans;
²>700 range is combination of 700 -750 & >750 numbers

Granular loan book with high quality collateral¹



Credit Indicators



Note:

1. Gross NPA% (Stage 3%) as per IND AS (including EIR adjustment).

2. Net NPA% is as per IND AS.

3. 1+ DPD % is for secured MSME at AUM level

4. Collections efficiency defined for Standard Secured MSME loans as "amount of EMI received during the month, restricted to a max of 1 EMI per loan divided by EMI demand for the current month"

ECL Provisions Summary

As on March 31, 2024	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	5,543	260	144	5,947
ECL Provision	33	13	64	110
Net Loans Outstanding	5,510	247	80	5,837
ECL Provision %	0.59%	5.02%	44.74%	1.86%

As on December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	5,151	241	132	5,524
ECL Provision	32	12	58	102
Net Loans Outstanding	5,119	229	74	5,422
ECL Provision %	0.62%	5.21%	43.46%	1.84%

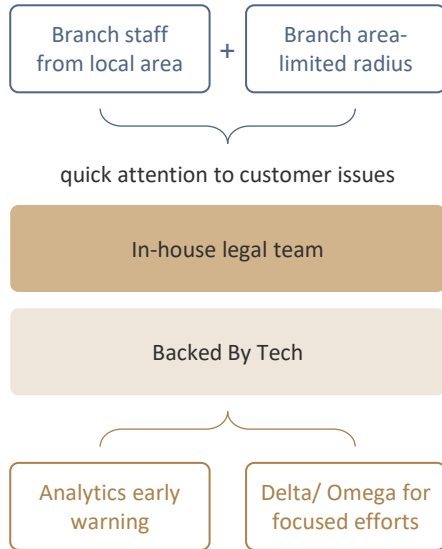
As on March 31, 2023	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	4,223	160	116	4,499
ECL Provision	27	11	46	84
Net Loans Outstanding	4,196	149	70	4,415
ECL Provision %	0.63%	7.02%	39.32%	1.85%

All figures in ₹ Cr

Collections Approach

In-house, on-ground collections teams – **97%** collected digitally

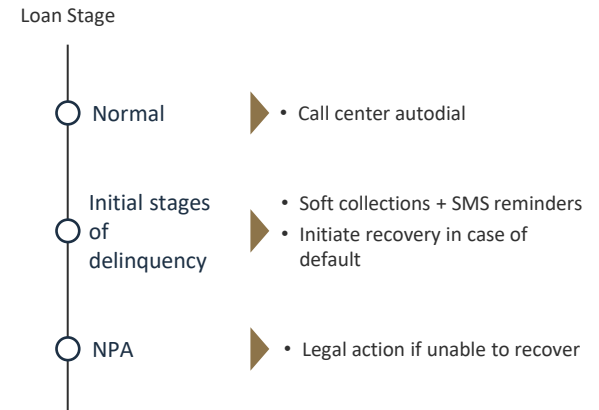
On-ground Teams



Scalable Structure

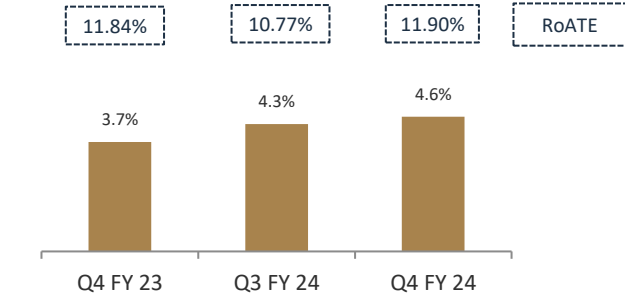
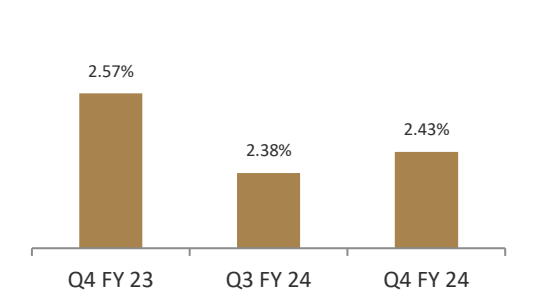
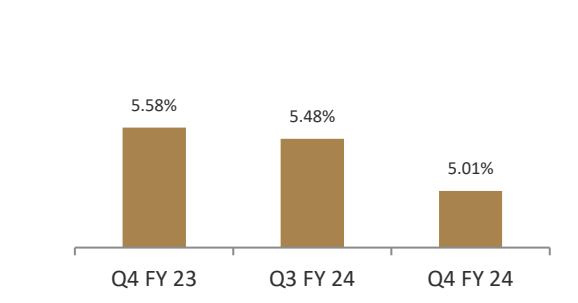
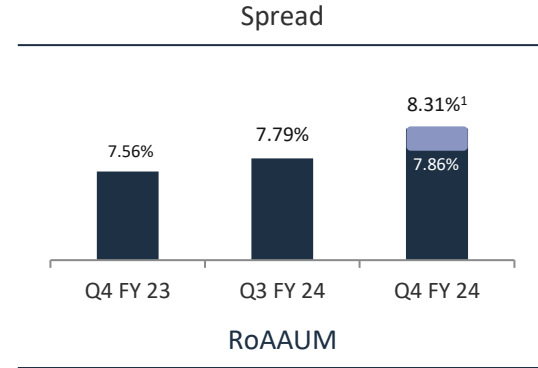
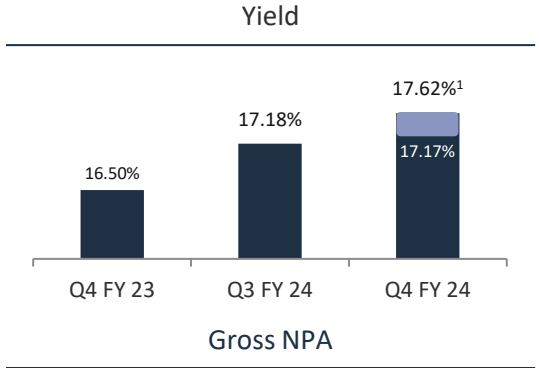
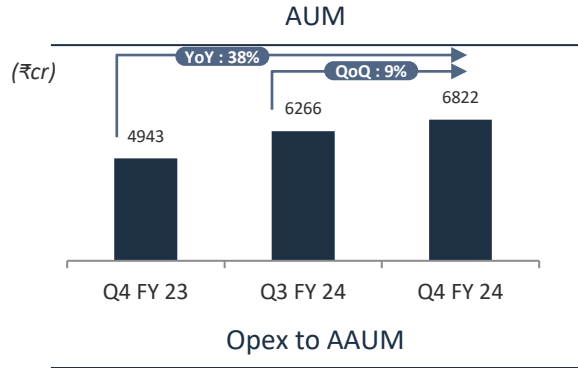


Adaptable collection strategy as per loan stage



Financial Performance

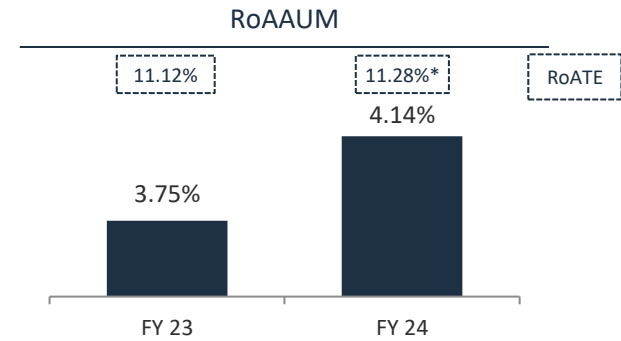
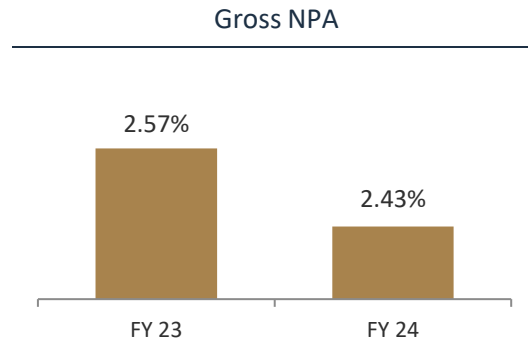
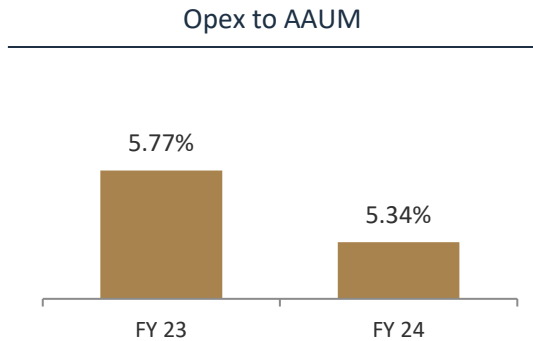
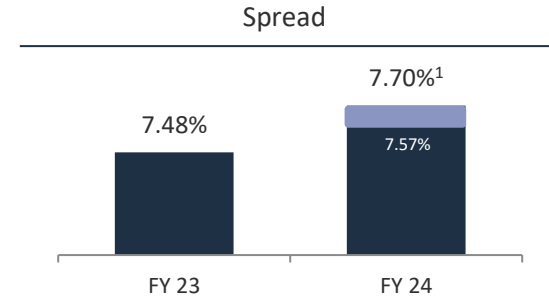
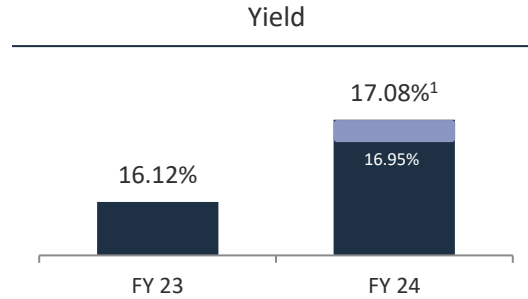
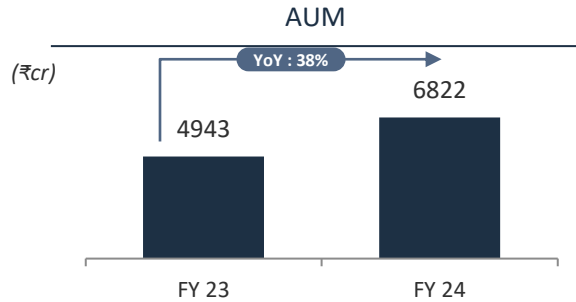
Quarterly Trends in KPIs



¹ The increase of 45 bps is due to an increase in interest sharing in assets under co-origination under a revised agreement

Financial Performance

Annual Trends in KPIs

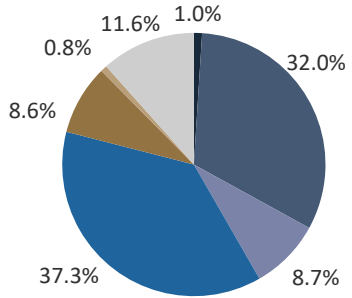


*The company has received an equity infusion of Rs. 600 crore in Q2 FY 24

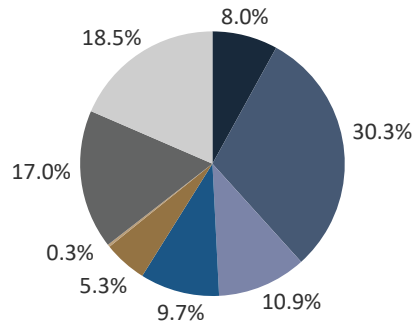
¹ The increase of 13 bps is due to an increase in interest sharing in assets under co-origination under a revised agreement

Sources of Borrowing

Diversified Borrowing Mix



■ NCD
■ Private Sector Bank
■ Financial Institutions
■ Public Sector Banks
■ Securitization
■ Foreign Bank
■ Co-Origination



■ NCD
■ Private Sector Bank
■ Financial Institutions
■ Public Sector Banks
■ Securitization
■ Foreign Bank
■ Co-Origination
■ FCNB

AA- (Stable)

A+ (Positive)

A+ (Stable)

India Ratings & Research
A Fitch Group Company

CareEdge
RATINGS

ICRA
A MOODY'S INVESTORS
SERVICE COMPANY

Lenders to the Company

Public Sector Banks



Private Sector Banks



Financial Institutions (FIs)



Foreign Banks

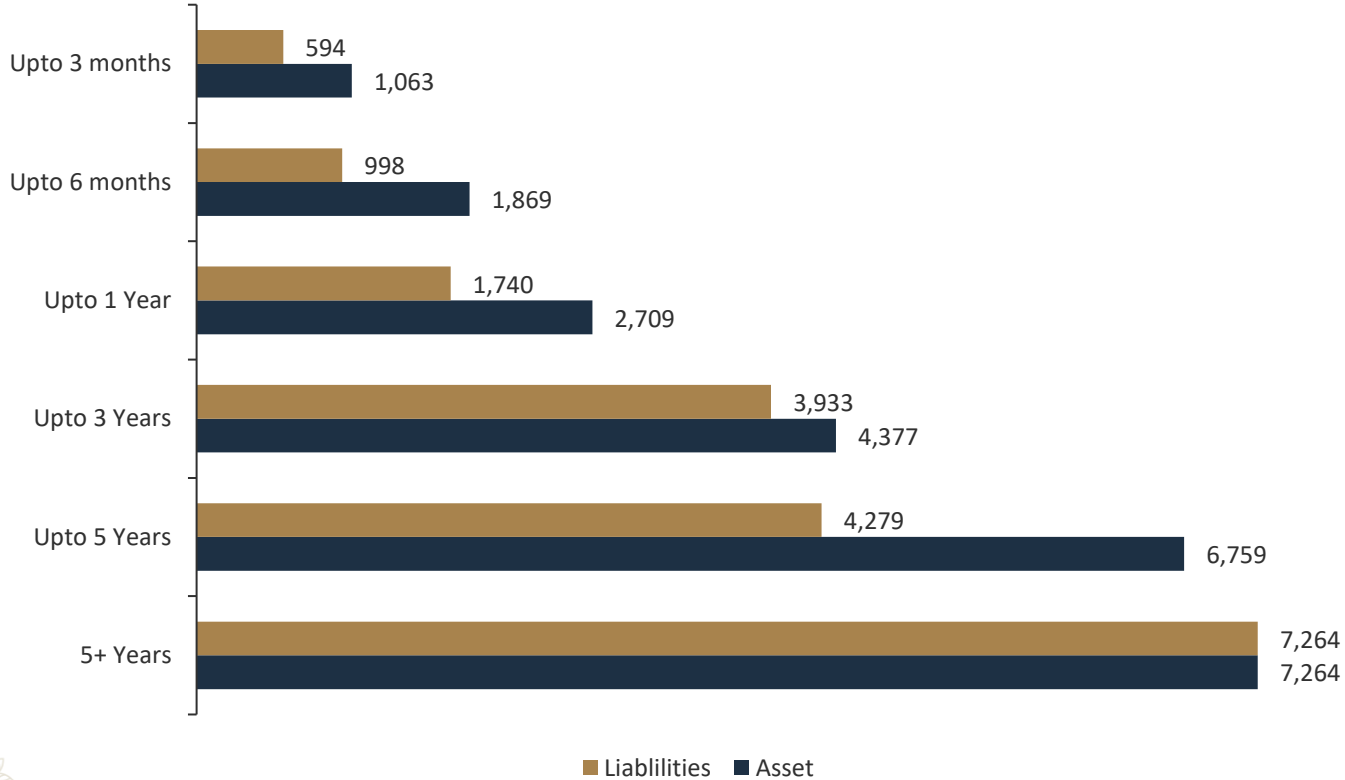


NCD



SBFC

ALM – March 2024



Surplus

469

871

969

444

2,480

All figures in ₹ Cr

Summary Financial Statements – Profit & Loss Account for Q4 FY24

Particulars	Quarter Ended			Growth (%)	
	March 2024	December 2023	March 2023	Q-o-Q	Y-o-Y
Interest Income on Loans	248	225	173	10.3%	43.2%
Interest Income other than on Loans	10	12	16		
Fee & Other Income	22	27	20		
Total Income	280	264	209	5.9%	33.9%
Finance Cost	88	85	79	4.4%	12.2%
Operating Expenses	81	81	65	-0.9%	24.8%
Pre-Provisioning Operating Profit	111	98	65	12.8%	69.1%
Credit Cost	14	12	7		
Tax Expense	24	22	15		
Profit after Tax	73	64	43	14.7%	71.7%
Basic EPS (₹/ Share)	0.71	0.60	0.48		
Diluted EPS (₹/ Share)	0.69	0.58	0.44		

All figures in ₹ Cr

Summary Financial Statements – Profit & Loss Account for FY24

Particulars	Financial Year Ended		Growth (%)
	March 2024	March 2023	Y-o-Y
Interest Income on Loans	866	595	45.5%
Interest Income other than on Loans	52	59	
Fee & Other Income	102	86	
Total Income	1,020	740	37.7%
Finance Cost	351	276	26.8%
Operating Expenses	306	230	32.8%
Pre-Provisioning Operating Profit	363	234	55.5%
Credit Cost	47	32	
Tax Expense	79	52	
Profit after Tax	237	150	58.2%
Basic EPS (₹/ Share)	2.35	1.71	
Diluted EPS (₹/ Share)	2.29	1.62	

All figures in ₹ Cr

ROE Tree

Ratios	FY24	FY23
Interest Income on Loans/ Average Loan Book	17.1%	16.1%
Fee & Other Income/ Average AUM	1.8%	2.2%
Finance costs/ Average Borrowings	9.4%	8.7%
Spread	7.7%	7.5%
Net Interest Margin/ Average AUM	9.9%	9.5%
Operating Expenses/ Average AUM	5.3%	5.8%
Credit Cost/ Average AUM	0.8%	0.8%
Profit after Tax/ Average AUM	4.1%	3.7%
Leverage (Avg AUM/ Avg Tangible Equity)	2.7	3.0
RoATE	11.3%	11.1%

Balance Sheet

Particulars	Financial Year Ended	
	March 2024	March 2023
Assets		
Cash and Bank Balances	466	400
Derivative Instrument	-	-
Receivables	15	11
Loan Assets	5,836	4,415
Investments	427	607
Other financial assets	7	4
Current & Deferred tax assets (Net)	6	-
Property, Plant and Equipment	38	34
Intangibles	263	263
Other non-financial assets	5	12
Total Assets	7,063	5,746
Liabilities and Equity		
Derivative Instrument	5	-
Payables	22	13
Borrowings	3,996	3,739
Other financial liabilities	246	251
Non-Financial Liabilities	16	16
Equity & Reserves	2,778	1,727
Total Liabilities and Equity	7,063	5,746

All figures in ₹ Cr

Corporate Social Responsibility

Skill Development – NAPS / NATS Program

92 Locations

Covered to create job opportunities across India

33% Females

Trained in various roles to maintain diversity and inclusiveness

166 Trainees

Successfully completed training program

102 Trainees

Placed in various roles at SBFC

Education - School Infrastructure Transformation

101 students, including 53 Girls, benefitted from infrastructure upgrade (Fixture, Furniture, Paintings, Electrical work) at **Shri Swaminarayan Vidyalaya, Ahmedabad**, which enabled the school to enroll Class 9th & 10th students.

Before



After





THANK YOU!