



Date: 26th October, 2024

National Stock Exchange of India Limited,
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400051.
NSE Symbol: SBFC

BSE Limited,
Phiroze Jeejeebhoy Towers,
21st Floor, Dalal Street,
Mumbai – 400001.
BSE Equity Scrip Code: 543959

Sub: Investor Presentation

Dear Sir/Madam,

In furtherance to our letter dated 23rd October, 2024 intimating about Earnings Conference Call, please find attached the investor presentation which will be referred during the earnings call scheduled to be held on Monday, 28th October, 2024 with investors in connection with the financial results of the Company for the quarter and half year ended 30th September, 2024.

We request you to take this on record.

Thanking you,

Yours faithfully,
For **SBFC Finance Limited**



Namrata Sajnani
Company Secretary & Chief Compliance Officer

Encl: a/a

SBFC Finance Limited

Registered Office: Unit No. 103, 1st Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East) Mumbai - 400 059
T. : +91-22-67875300 • F : +91-22-67875334 • www.SBFC.com • Email: complianceofficer@sbfc.com
CIN No : L67190MH2008PLC178270



Investor Presentation

Q2 FY 2025



























Safe Harbor

This presentation and the accompanying slides ("Presentation"), which have been prepared by SBFC Finance Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Forward looking statements concerning the Company's future business prospects and business profitability are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of the forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

SBFC – H1 FY25 Performance

Size and Growth	Distribution	Granular Book	Asset Quality	Liability Profile	Profitability
 7,715 AUM YoY +33%	 192 # Branches	 99% % Secured	 2.69% GNPA YoY +32 bps	 2,707 Tangible Net worth	 163 PAT YoY +63%
 6,365 Secured MSME AUM YoY +33%	 4,062 Employees	 9.36* 0.91* Average Ticket Size: Secured MSME / LAG (Lakh)*	 1.63% NNPA YoY +30 bps	 CRAR 38.6% Capital Adequacy	 4.56% Return on AAUM YoY +78 bps
 1,206 Secured MSME Disbursal Value YoY -11%	 16 States & 2 UTs Pan India presence	 1,59,365 # live customers	 0.95% Credit Cost YoY +15 bps	 9.33% Cost of Borrowing YoY -9 bps	 17.64% Yield YoY +93 bps
 12,886 Secured MSME Disbursal Volume YoY -6%	 100% in-house Sourcing	 LTV 41.5% / 63.6% Secured MSME / LAG	 40.17% PCR	 AA- (Stable) Credit rating	 8.31% Spread YoY +102 bps

Note: All values in ₹ Cr unless stated otherwise, All metrics as of / for H1 FY25 unless stated otherwise;

Executive Summary – Q2 FY25



Asset Under Management

7,715

+33% +8%

Disbursement¹

672

-4% +26%

Branches

192

+21 +6

Gross NPA

2.69%

+32 bps +9 bps

Yield / Spread

17.69% / 8.37%

+85 / +85 bps +11 / +14 bps

Opex to AAUM

4.60%

-92 bps -20 bps

PAT

84

+60% +7%

RoAAUM

4.56%

+72 bps +0 bps

RoATE

12.67%

+227 bps +37 bps

¹Secured MSME
All figures are in ₹ Cr

YoY

QoQ





About the company
Management and Shareholders
Business
Technology
Credit
Collections
Financials

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



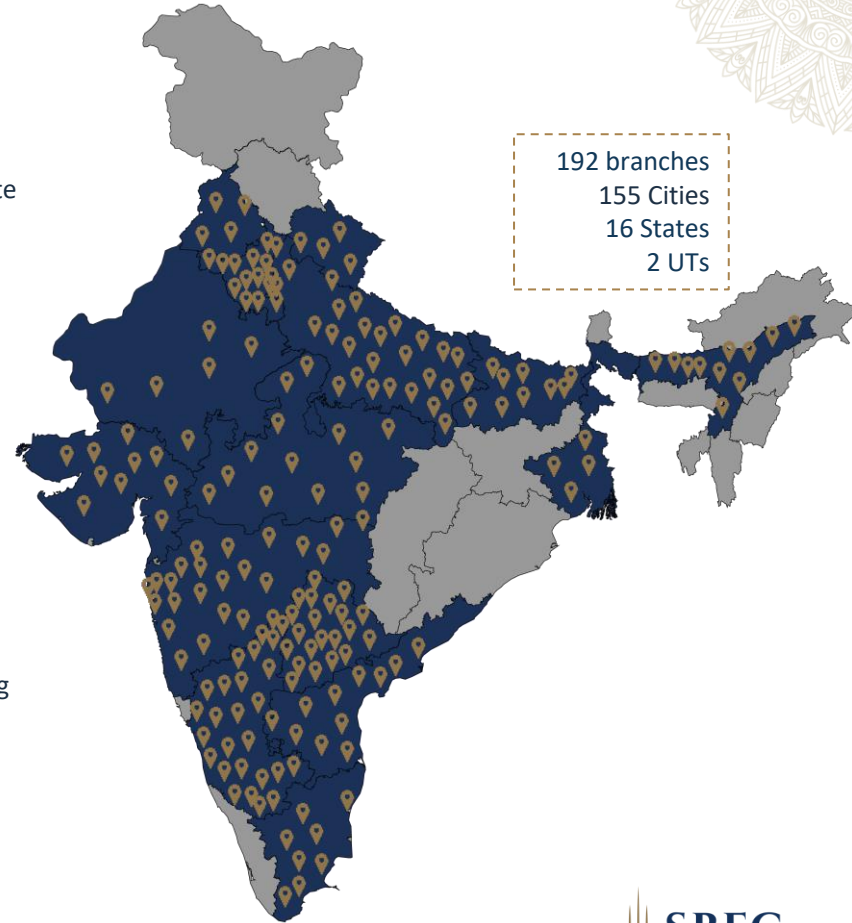
Opportunity: Market size (₹5 lakh - ₹30 lakh MSME financing) of ₹3.2¹ lakh crore, growing at 24%²



Pan-India Footprint: 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



¹ As of Mar-24 (Source – CRIF Data);

² CAGR period over FY18 to FY24 (Source – CRIF Data)

SBFC Focus Segment – customers borrowing ₹5 Lakh to ₹30 Lakh

Large segment within MSME of ₹3.2 lakh cr and growing at CAGR 24%

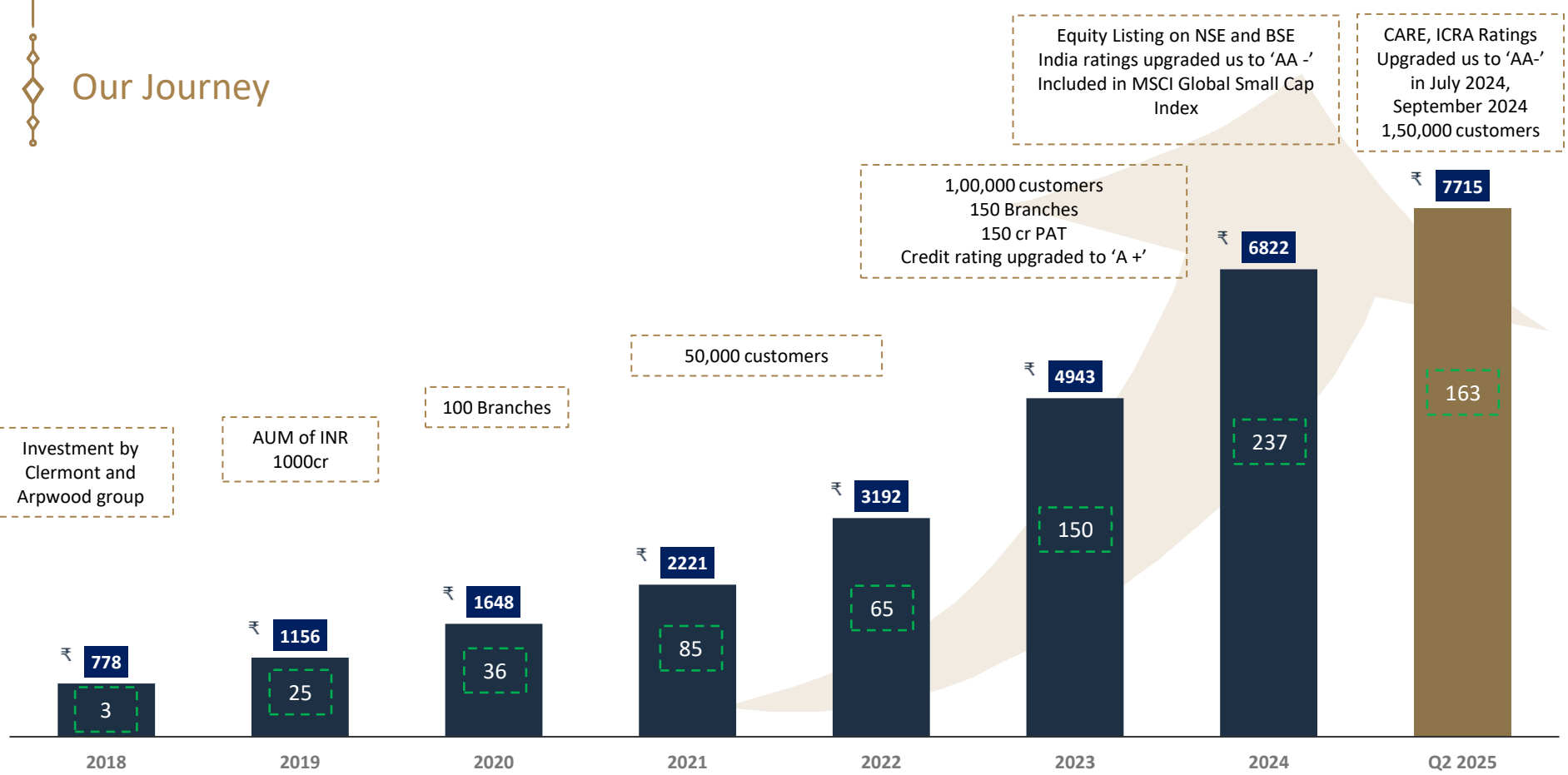
Segment	Market Size ¹ (₹ tn)	CAGR ² (%)	% of Market	
>₹1 cr	4.2	13.7%	40%	
₹0.5 – 1 cr	1.3	17.2%	13%	
₹0.3 – 0.5 cr	1.1	20.7%	10%	
₹0.05– 0.3 cr	3.2	24.4%	31%	Focus Segment
<₹0.05 cr	0.6	27.7%	6%	
Total	10.4	18.5%	100%	

Source: CRIF Data;

¹ As of Mar-24;

² CAGR period over FY18 to FY24

Our Journey



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



Namrata Sajjani

Chief Compliance Officer & CS

Board of Directors

Strong corporate governance backed by long term investors

Independent



Neeraj Swaroop

Chairman of the Board
Ex CEO – SCB, Singapore



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



Aseem Dhru

MD & CEO



Managing
Director

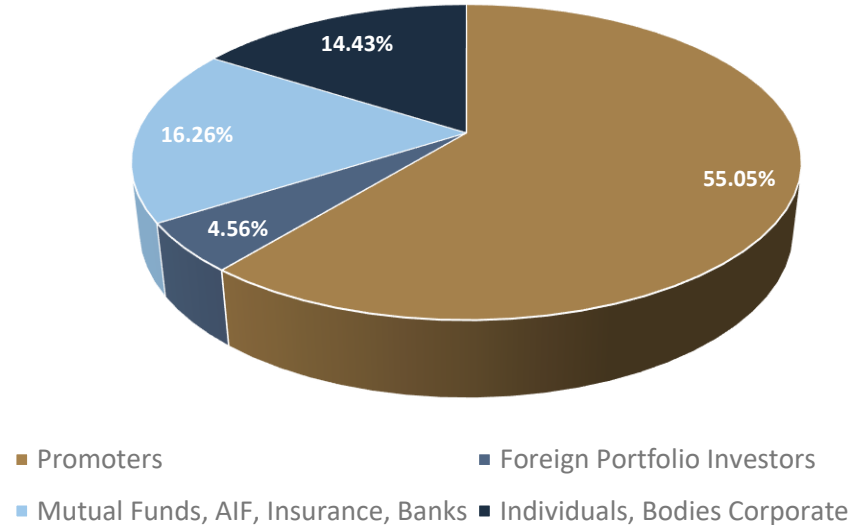
Shareholding

Category of Shareholders	% Share#
Promoter	
Clermont Group	55.05%
Other Major Shareholders	
SBI Mutual Fund	8.59%
Amansa Capital	4.12%
Malabar Funds	4.11%
Aditya Birla Sun Life	2.52%

Management & Employees hold 9% of diluted share capital

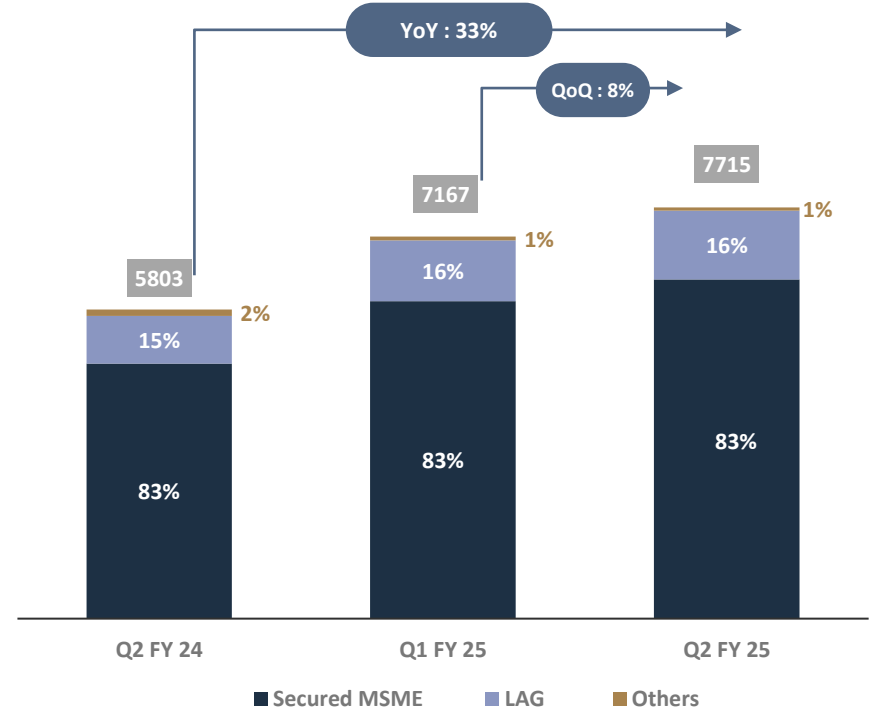
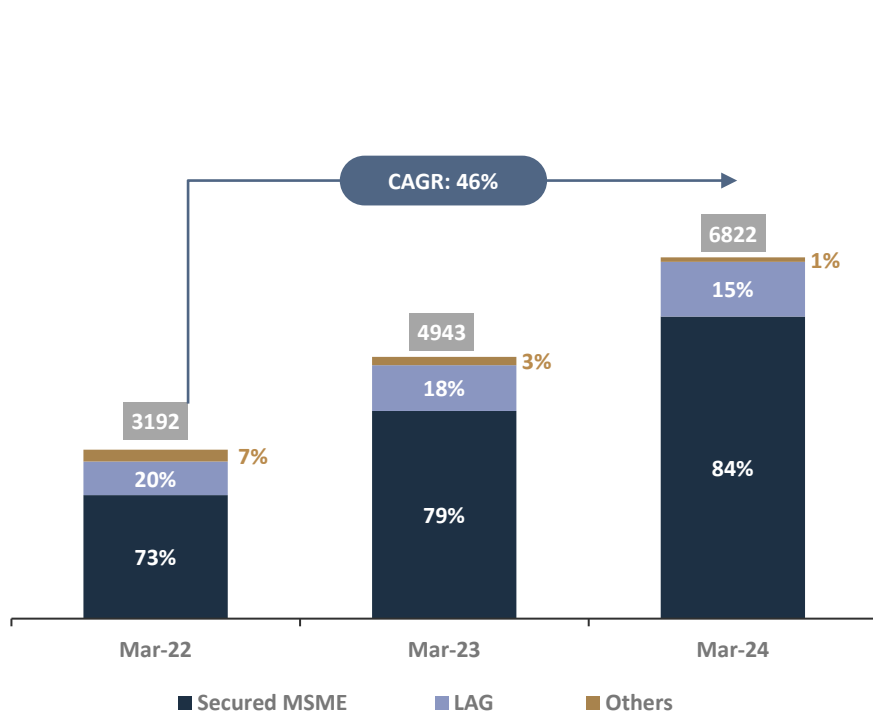
Non-diluted Status as on September 30, 2024

Shareholding Pattern



Business Momentum

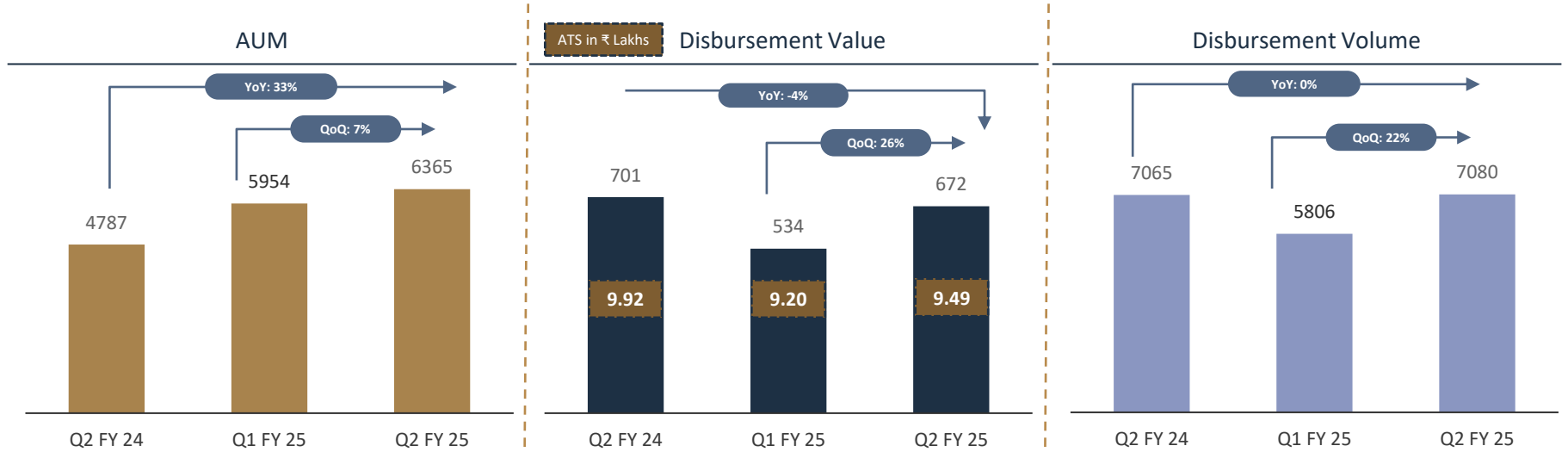
Delivering Consistent AUM Growth



All figures in ₹ Cr.

AUM

Business Momentum – Secured MSME

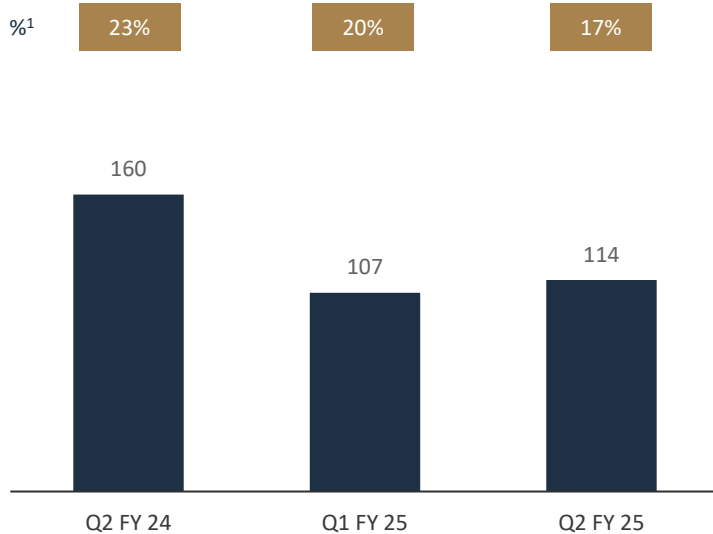


AUM Secured MSME
All figures in ₹ Cr

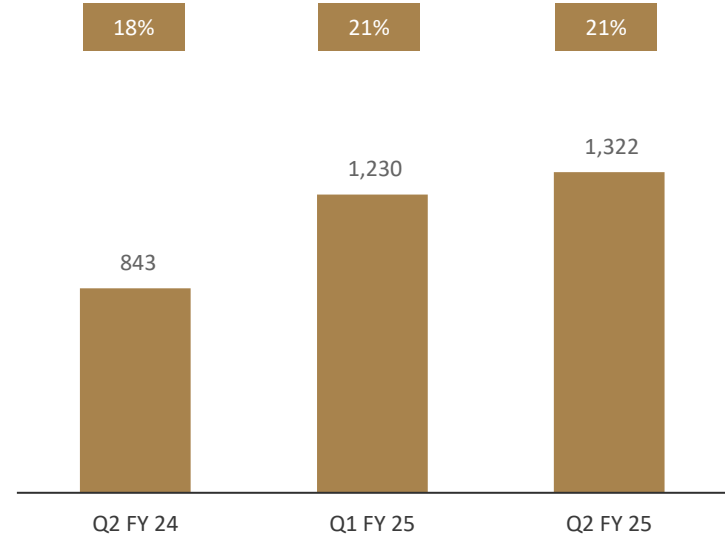
Business Momentum

Co-origination – Validates our profitable origination

Co-origination Disbursement (₹ Cr)



Co-origination AUM (₹ Cr)

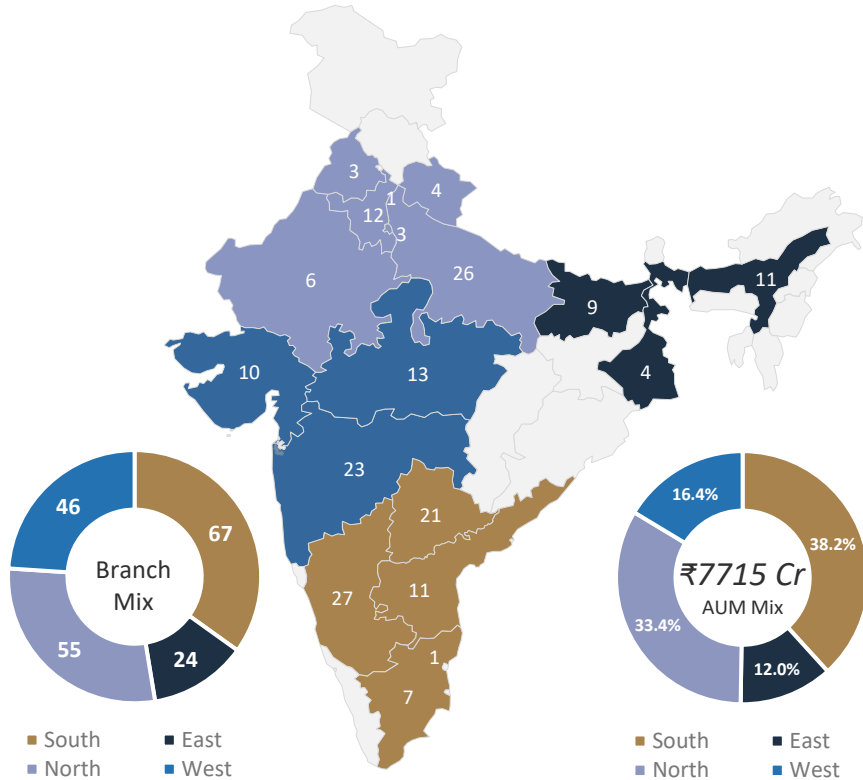


¹Percentage is on Total Secured MSME Loans

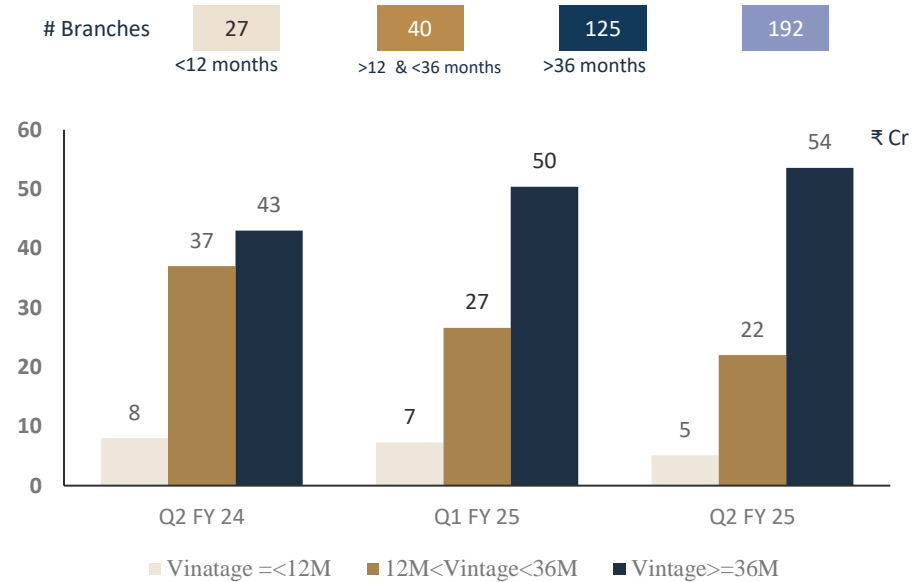
Business Momentum

No concentration risk & well distributed growth

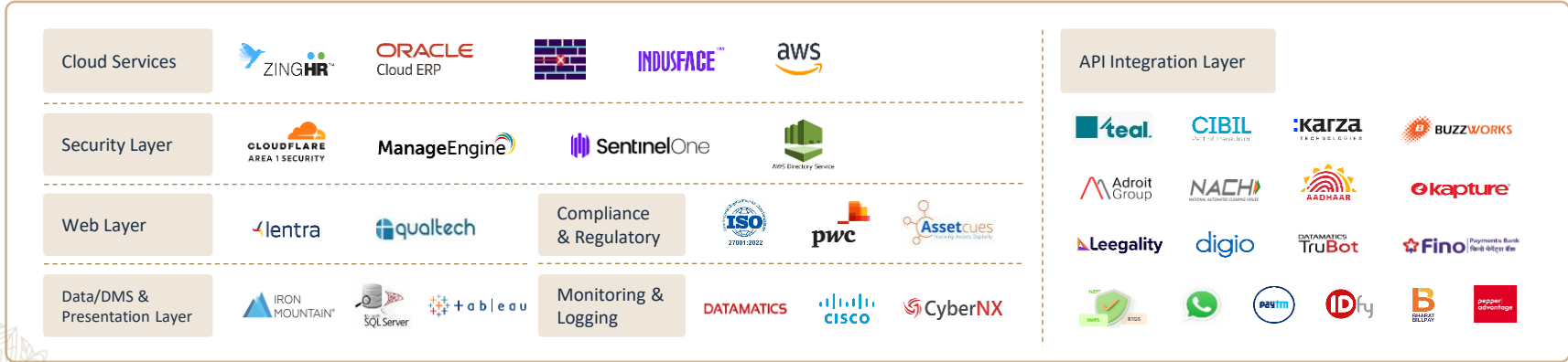
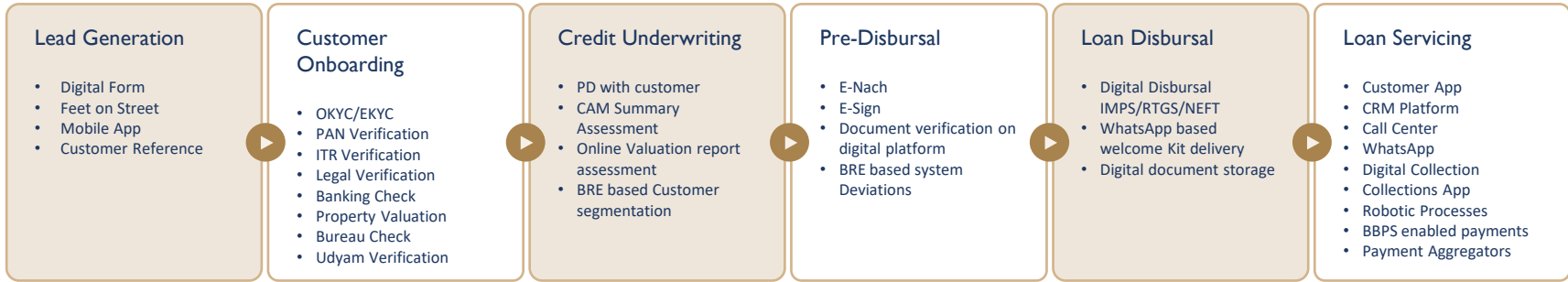
Present in 16 states, 2 UTs covering 155 cities via 192 branches



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

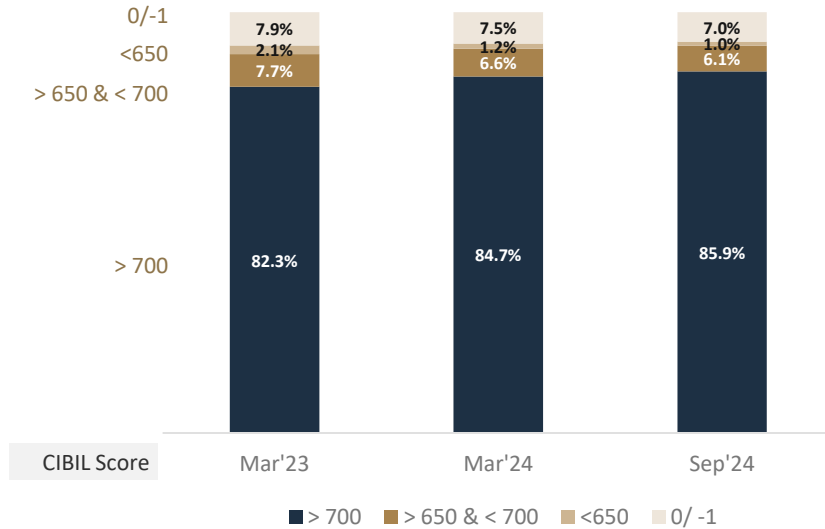
- Credit officer spends time to understand income & cash flow (documented + non-documented) at family level
- Evaluation of historical asset creation
- SBFC customers are often first-time commercial borrowers with past consumer loans
- Reference check from the neighbourhood, locality and their customer 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 80K MSME customers) & strong knowledge of local markets (16 states, 2 UTs)

Credit Underwriting

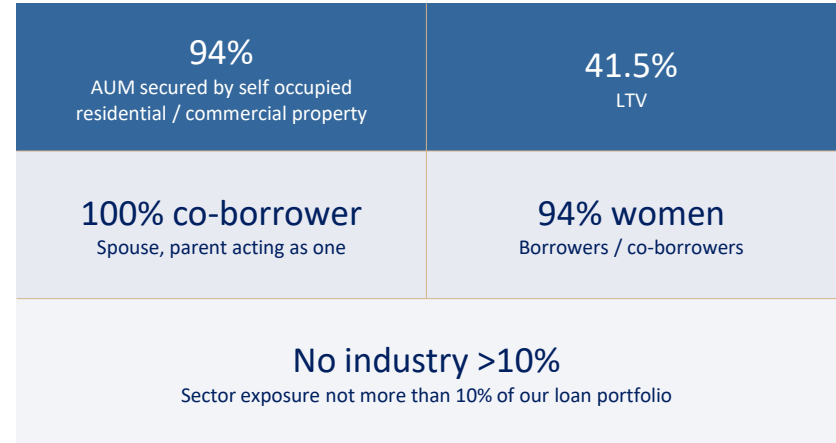
Quality borrowers with credit score above 700

Over 85% AUM from customers with CIBIL >700¹



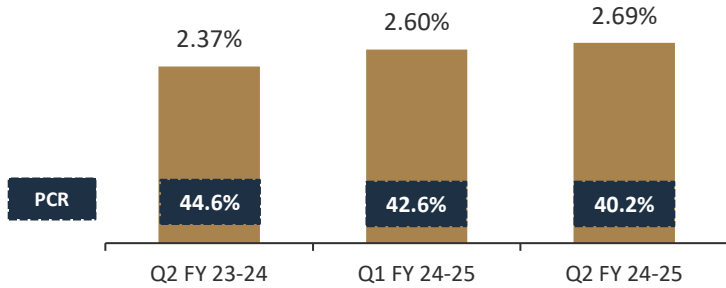
¹Pertains to secured MSME Loans

Granular loan book with high quality collateral¹

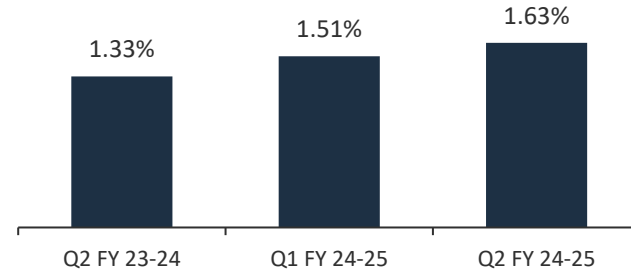


Credit Indicators

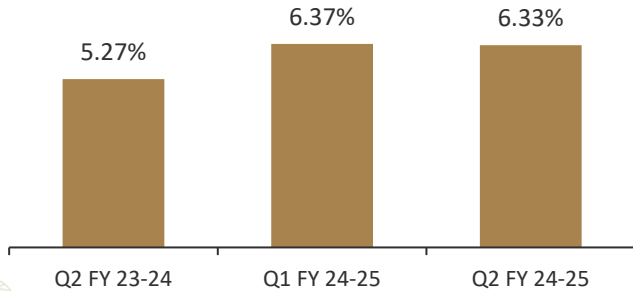
Gross NPA %¹



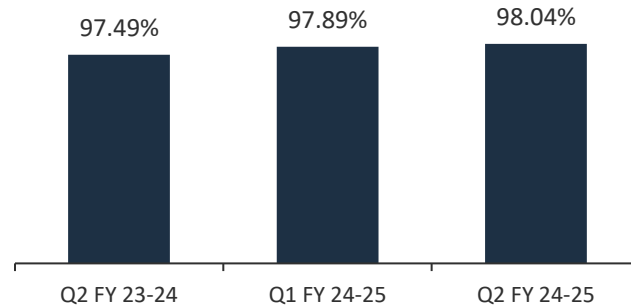
Net NPA %²



1+ DPD %³



Collections Efficiency %⁴



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 September 30, 2024	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	6,322	212	181	6,715
ECL Provision	35	11	73	119
Net Loans Outstanding	6,287	201	108	6,596
ECL Provision %	0.56%	5.18%	40.17%	1.78%

As on June 30, 2024	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	5,833	231	162	6,226
ECL Provision	34	12	69	115
Net Loans Outstanding	5,799	219	93	6,111
ECL Provision %	0.59%	5.37%	42.63%	1.85%

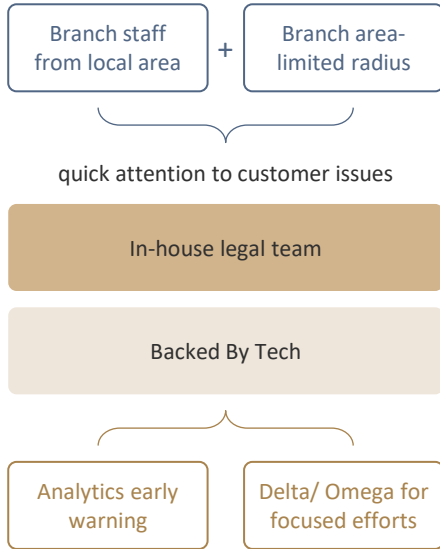
As on September 30, 2023	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	4,811	225	122	5,158
ECL Provision	30	13	55	98
Net Loans Outstanding	4,781	212	67	5,060
ECL Provision %	0.63%	5.91%	44.62%	1.91%

All figures in ₹ Cr

Collections Approach

In-house, on-ground collections teams – **98%** collected digitally

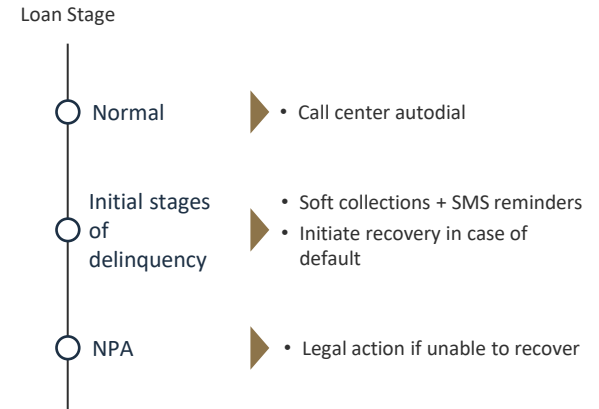
On-ground Teams



Scalable Structure

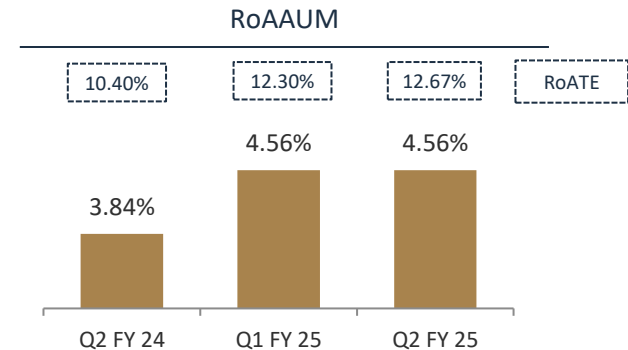
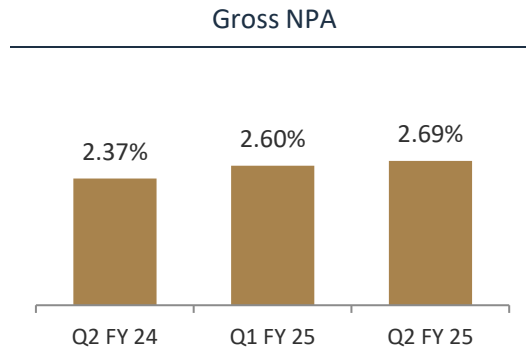
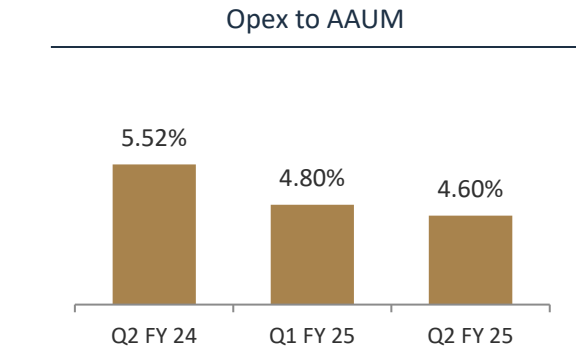
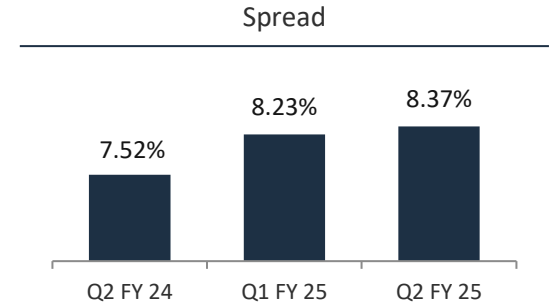
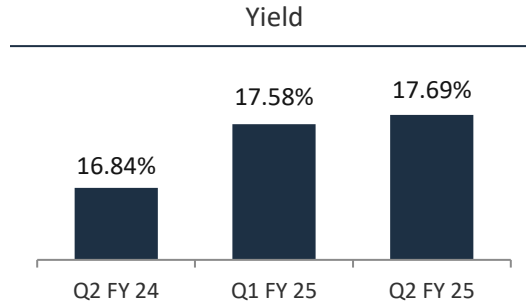
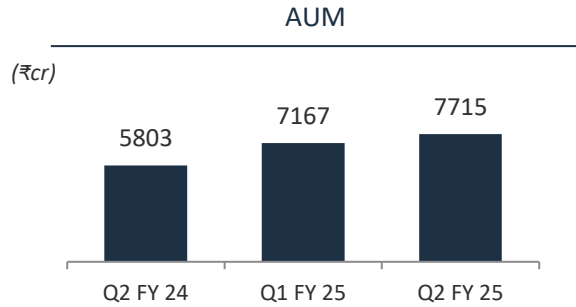


Adaptable collection strategy as per loan stage



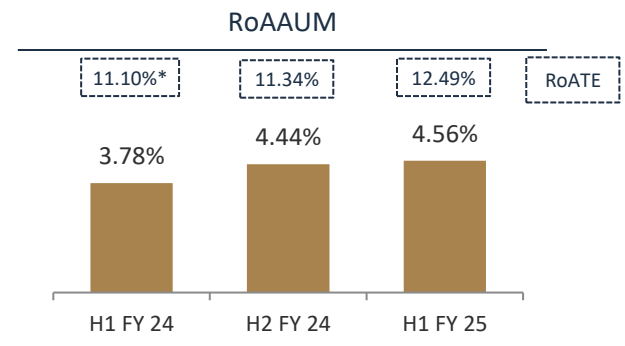
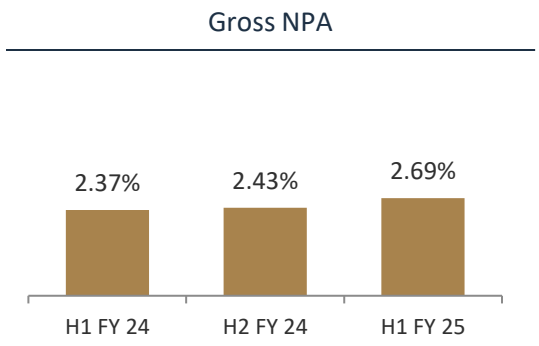
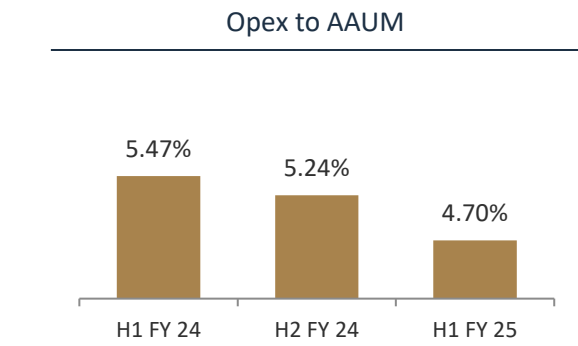
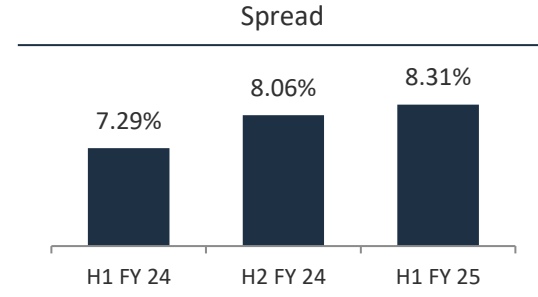
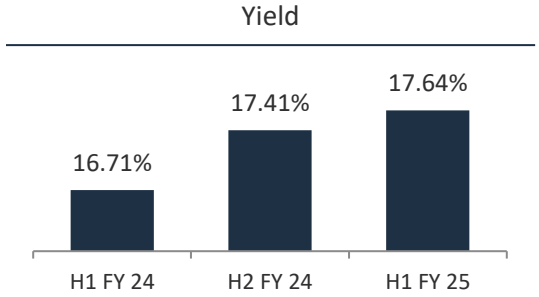
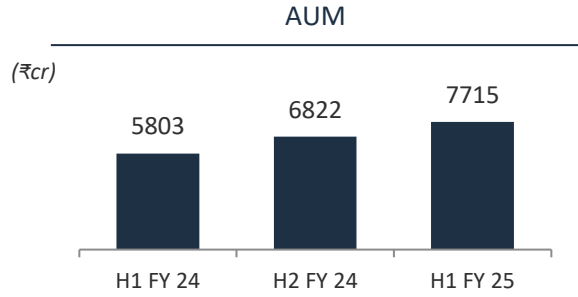
Financial Performance

Quarterly Trends in KPIs



Financial Performance

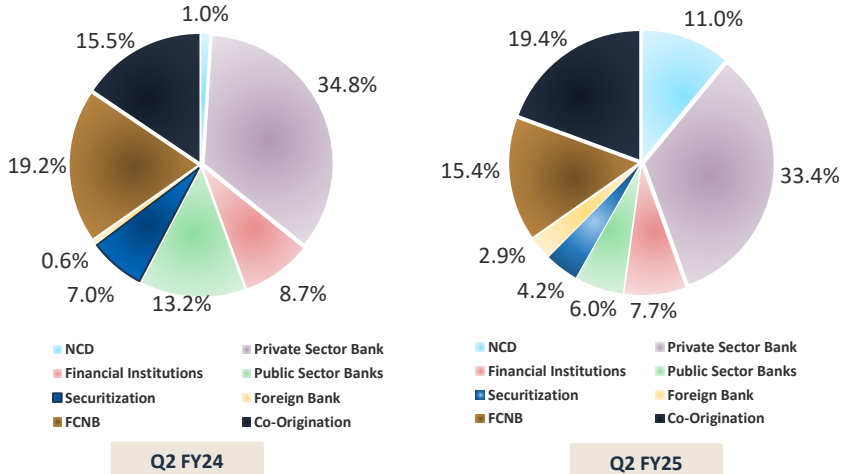
Half-yearly Trends in KPIs



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

Sources of Borrowing

Diversified Borrowing Mix



AA- (Stable)



Lenders to the Company

Public Sector Banks



Private Sector Banks



Financial Institutions (FIs)



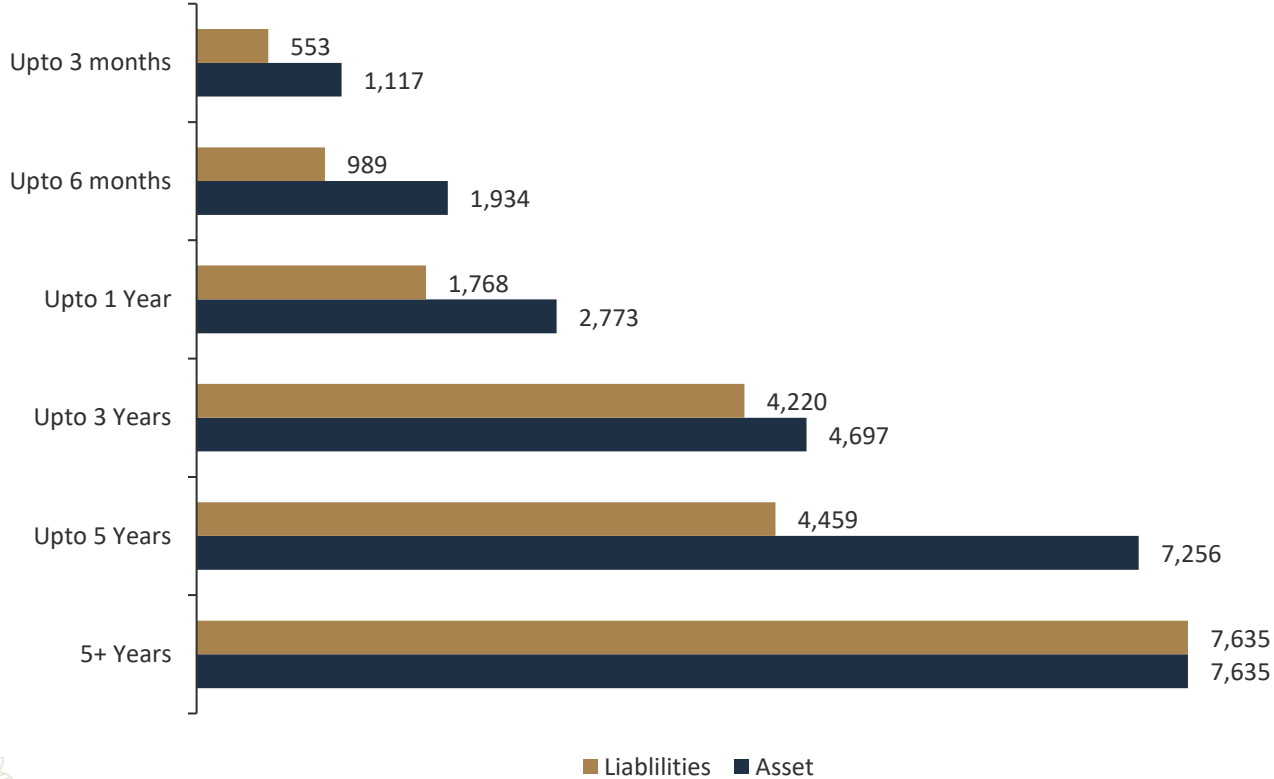
Foreign Banks



NCD



ALM – September 2024



Surplus

564

945

1,005

477

2,797

All figures in ₹ Cr

Summary Financial Statements – Profit & Loss Statement for Q2 FY25

Particulars	Quarter Ended			Growth (%)	
	September 2024	June 2024	September 2023	Q-o-Q	Y-o-Y
Interest Income on Loans	281	263	205	6.8%	37.1%
Interest Income other than on Loans	8	8	15		
Fee & Other Income	25	27	27		
Total Income	314	298	247	5.6%	27.4%
Finance Cost	100	95	89		
Operating Expenses	85	83	76		
Pre-Provisioning Operating Profit	129	120	82	7.6%	58.2%
Credit Cost	19	15	11		
Tax Expense	26	26	18		
Profit after Tax	84	79	53	6.7%	59.6%
Basic EPS (Not Annualized)	0.78	0.73	0.52		
Diluted EPS (Not Annualized)	0.76	0.72	0.51		

All figures in ₹ Cr

Summary Financial Statements – Profit & Loss Statement for H1 FY25

Particulars	Half Year Ended		Growth (%)	Annual
	September 2024	September 2023	Y-o-Y	March 2024
Interest Income on Loans	544	393	38.4%	866
Interest Income other than on Loans	16	31		52
Fee & Other Income	52	53		102
Total Income	612	477	28.4%	1,020
Finance Cost	195	178		351
Operating Expenses	168	144		306
Pre-Provisioning Operating Profit	249	155	61.1%	363
Credit Cost	34	21		47
Tax Expense	52	34		79
Profit after Tax	163	100	63.4%	237
Basic EPS (Not Annualized)	1.52	1.04		2.35
Diluted EPS (Not Annualized)	1.48	1.00		2.29

All figures in ₹ Cr

ROE Tree

Ratios	Q2 FY25	Q1 FY25	Q2 FY24	H1 FY25	H1 FY24
Interest Income on Loans/ Average Loan Book	17.69%	17.58%	16.84%	17.64%	16.71%
Fee & Other Income/ Average AUM	1.39%	1.53%	1.93%	1.46%	1.99%
Borrowing Cost/ Average Borrowings	9.32%	9.35%	9.32%	9.33%	9.42%
Spread	8.37%	8.23%	7.52%	8.31%	7.29%
Net Interest Margin/ Average AUM	10.21%	10.22%	9.54%	10.22%	9.35%
Operating Expenses/ Average AUM	4.60%	4.80%	5.52%	4.70%	5.47%
Credit Cost/ Average AUM	1.03%	0.86%	0.80%	0.95%	0.80%
Profit after Tax/ Average AUM	4.56%	4.56%	3.84%	4.56%	3.78%
Leverage (Avg AUM/ Avg Tangible Equity)	2.78	2.70	2.71	2.74	2.93
RoATE	12.67%	12.30%	10.40%	12.49%	11.10%

Balance Sheet

Particulars	As On	
	September 2024	June 2024
Assets		
Cash and Bank Balances	259	303
Receivables	27	29
Loan Assets	6,596	6,111
Investments	281	268
Other financial assets	56	7
Current & Deferred tax assets (Net)	6	-
Property, Plant and Equipment etc.	302	301
Other non-financial assets	6	12
Total Assets	7,533	7,031
Liabilities and Equity		
Derivative Instrument	3	7
Payables	13	17
Borrowings	4,413	4,057
Other financial liabilities	125	69
Non-Financial Liabilities	12	16
Equity & Reserves	2,967	2,865
Total Liabilities and Equity	7,533	7,031

All figures in ₹ Cr



THANK YOU!