



Date: 25<sup>th</sup> January, 2025

**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,  
21<sup>st</sup> Floor, Dalal Street,  
Mumbai – 400001.  
BSE Equity Scrip Code: 543959

**Sub: Investor Presentation**

Dear Sir/Madam,

In furtherance to our letter dated 22<sup>nd</sup> January, 2025 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, 27<sup>th</sup> January, 2025 with investors in connection with the financial results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 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, 1<sup>st</sup> Floor, C&B Square, Sangam Complex, Andheri Kurla Road, Village Chakala, Andheri (East) Mumbai - 400 059

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CIN No : L67190MH2008PLC178270



Investor Presentation

Q3 FY 2025



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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.

# Executive Summary – Q3 FY25

YoY

QoQ

Asset Under Management

8,148

+30%

+6%

Disbursement<sup>1</sup>

699

-2%

+4%

Branches

197

+20

+5

Gross NPA

2.70%

+32 bps

+1 bp

Yield/Spread

17.81% / 8.50%

+63 / +66 bps

+12 / +13 bps

Opex to AAUM

4.62%

-86 bps

+2 bps

PAT

88

+38%

+5%

RoAAUM

4.49%

+18 bps

-7 bps

RoATE

12.75%

+198 bps

+8 bps

<sup>1</sup>Secured MSME  
All figures are in Rs. crore

# 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



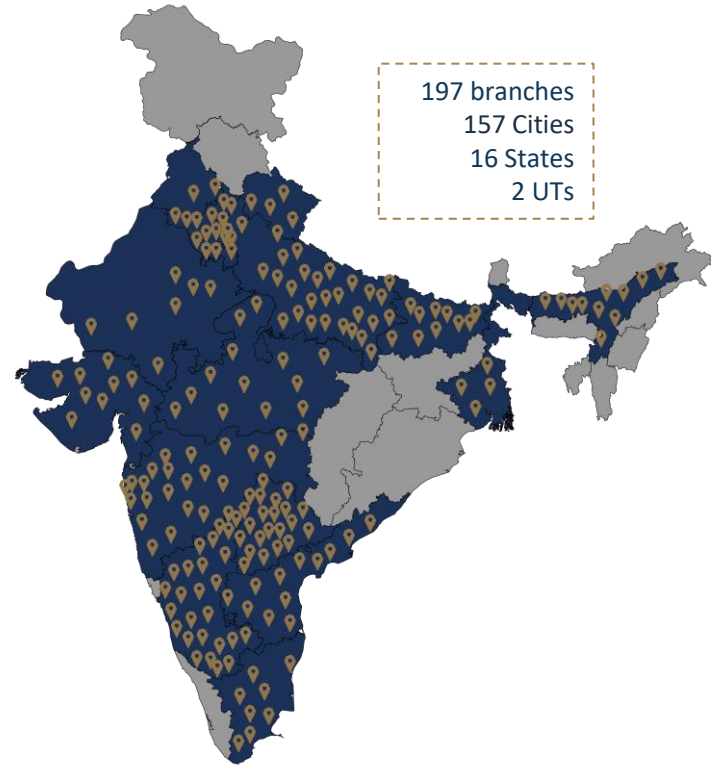
**Opportunity:** Market size (₹5 lakh - ₹30 lakh MSME financing) of ₹3.2<sup>1</sup> lakh crore, growing at 24%<sup>2</sup>



**Pan-India Footprint:** Diversified pan-India network with presence in 16 states & 2 UTs



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



<sup>1</sup> As of Mar-24 (Source – CRIF Data);

<sup>2</sup> 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%

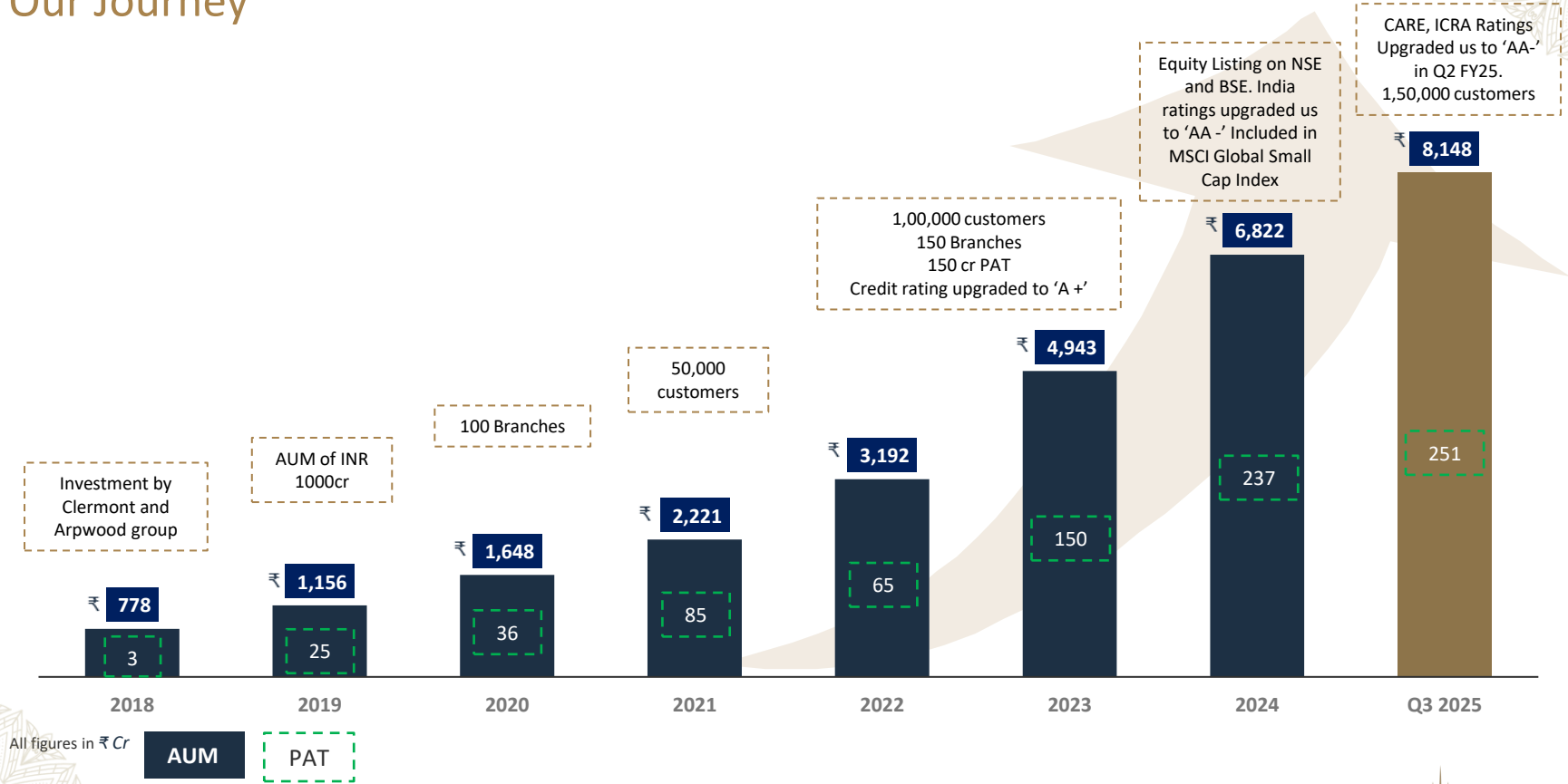
Segment	Market Size <sup>1</sup> (₹ tn)	CAGR <sup>2</sup> (%)	% of Market	
>₹1 cr	4.2	13.7%	40%	
₹0.5 – 1 cr	1.3	17.2%	13%	
₹0.3 – 0.5 cr	1.1	20.7%	10%	
₹0.05– 0.3 cr	3.2	24.4%	31%	Focus Segment
<₹0.05 cr	0.6	27.7%	6%	
Total	10.4	18.5%	100%	

Source: CRIF Data;

<sup>1</sup> As of Mar-24;

<sup>2</sup> CAGR period over FY18 to FY24

# Our Journey



# 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 & 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



Managing  
Director



**Aseem Dhru**  
MD & CEO

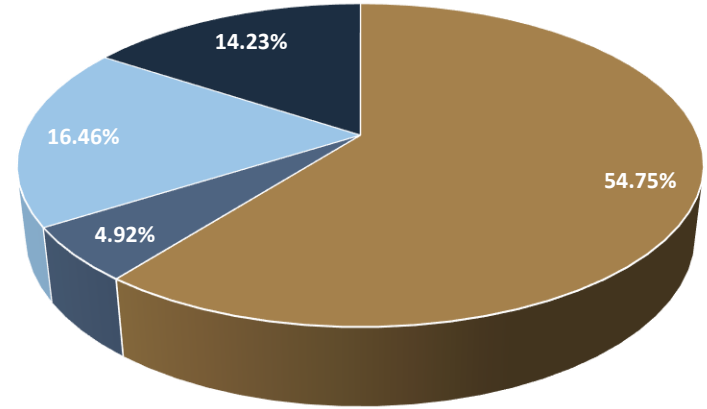
# Shareholding

Category of Shareholders	% Share <sup>#</sup>
Promoter	
Clermont Group	54.75%
Other Major Shareholders	
SBI Mutual Fund	8.55%
Amansa Capital	4.09%
Malabar Funds	4.09%
Aditya Birla Sun Life	2.57%

*Management & Employees hold 9% of diluted share capital*

*# Non-diluted Status as on December 31, 2024*

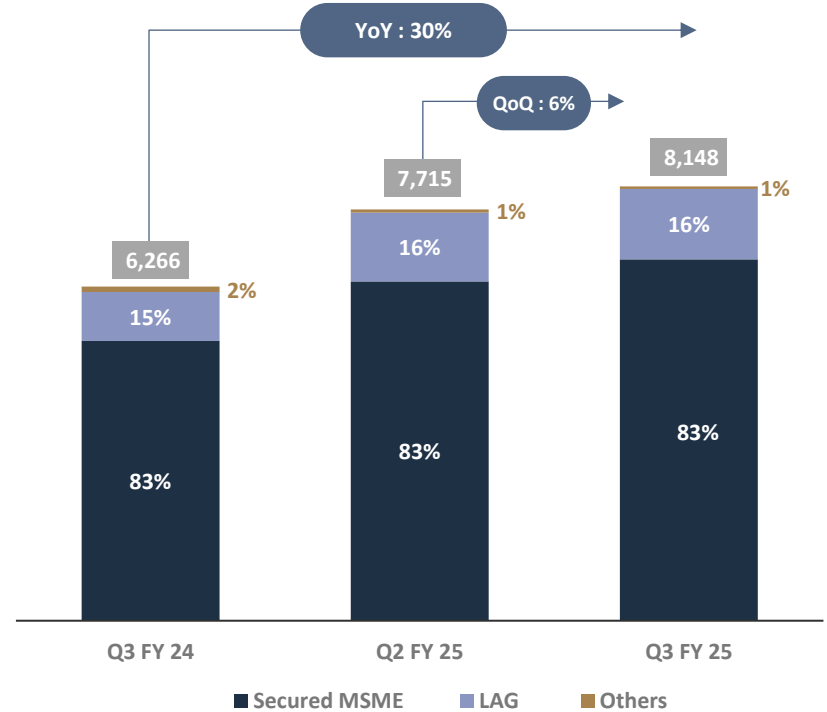
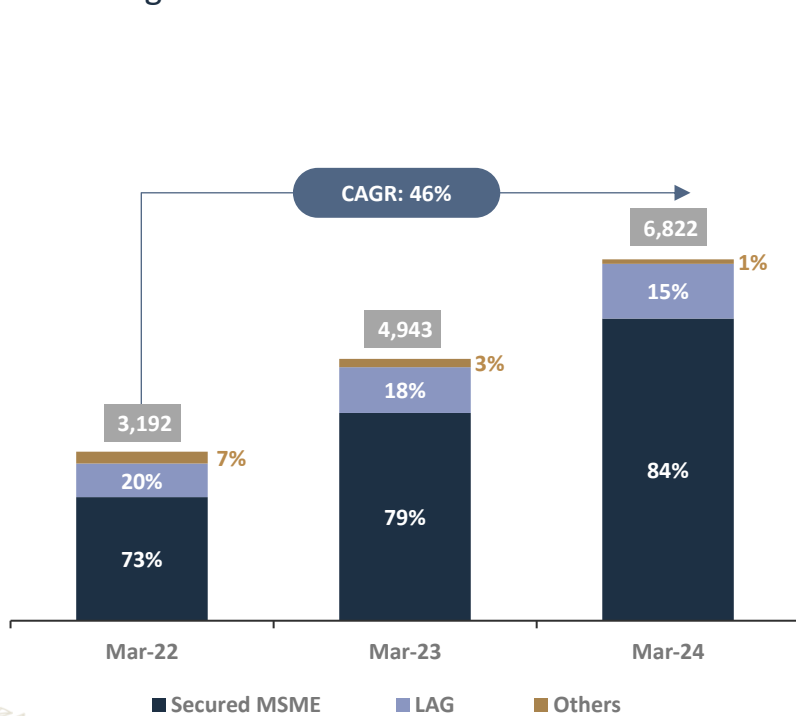
Shareholding Pattern



- Promoters
- Foreign Portfolio Investors
- Mutual Funds, AIF, Insurance, Banks
- Individuals, Bodies Corporate

# Business Momentum

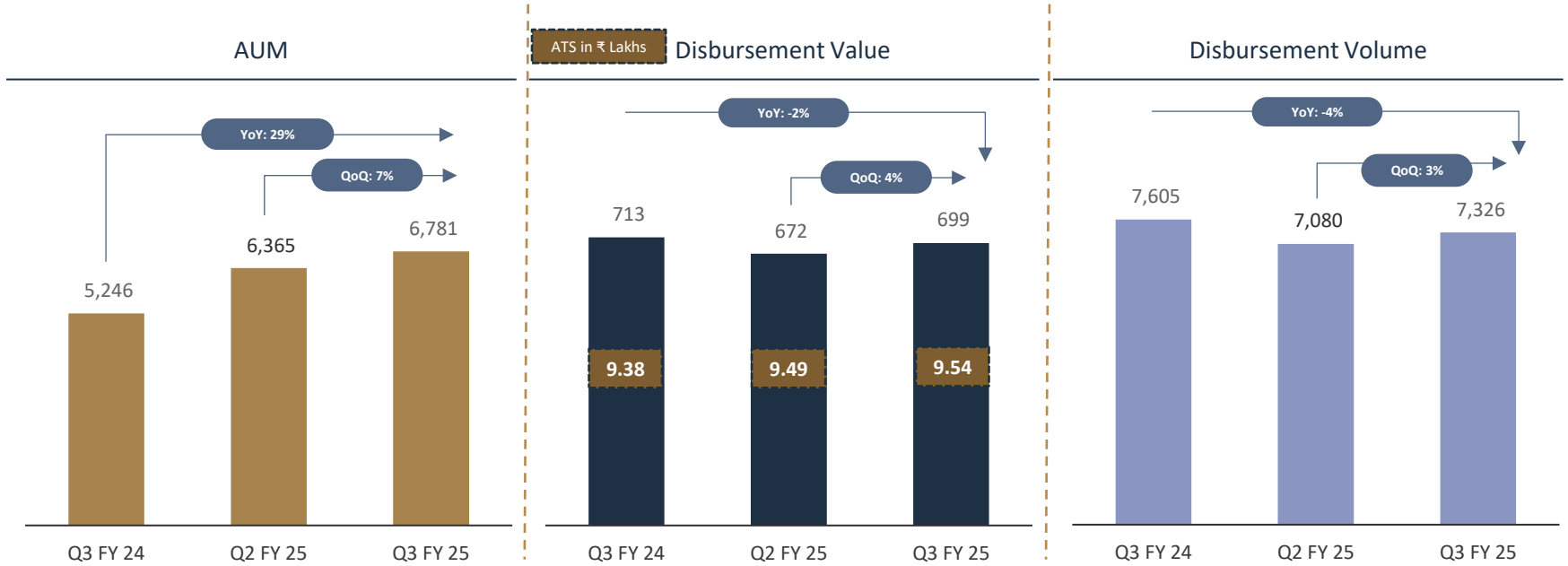
Delivering Consistent AUM Growth



All figures in ₹ Cr.

AUM

# Business Momentum – Secured MSME

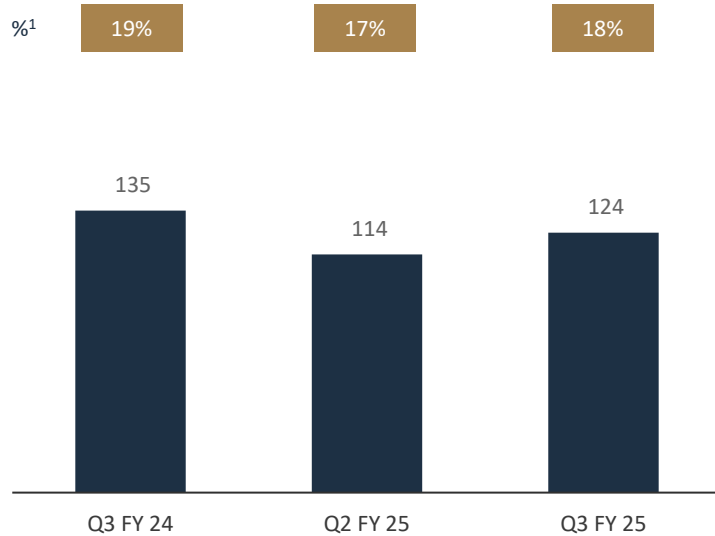


AUM Secured MSME  
All figures in ₹ Cr

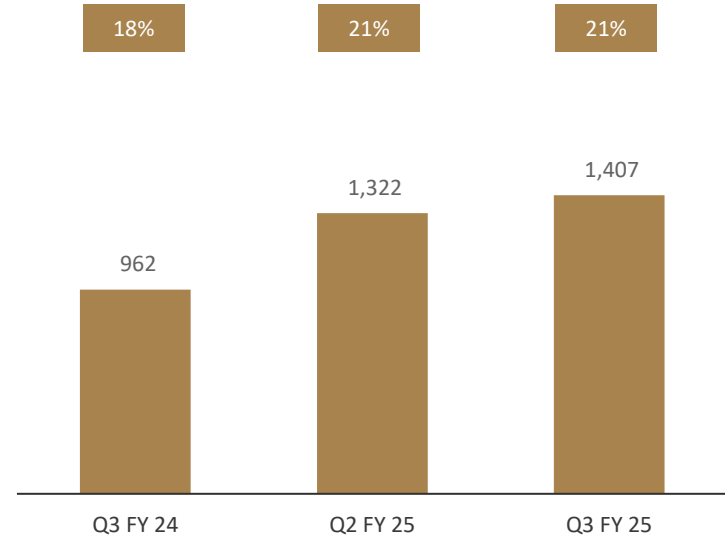
# Business Momentum

Co-origination – Validates our profitable origination

Co-origination Disbursement (₹ Cr)



Co-origination AUM (₹ Cr)

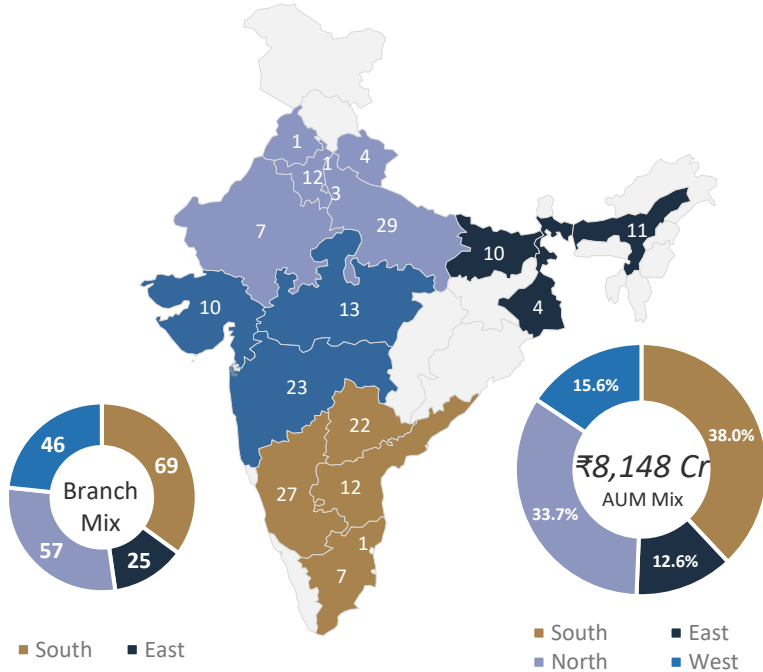


<sup>1</sup>Percentage is on Total Secured MSME Loans

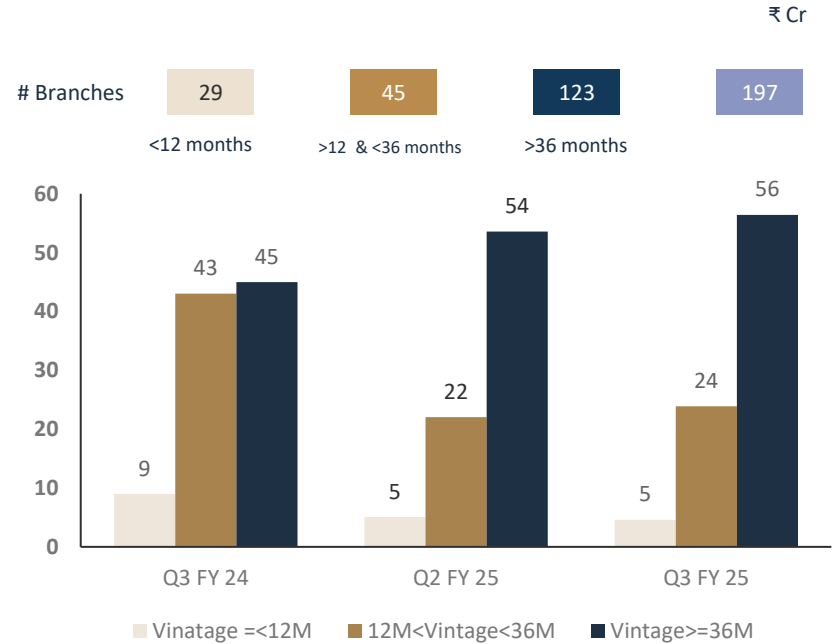
# Business Momentum

No concentration risk & well distributed growth

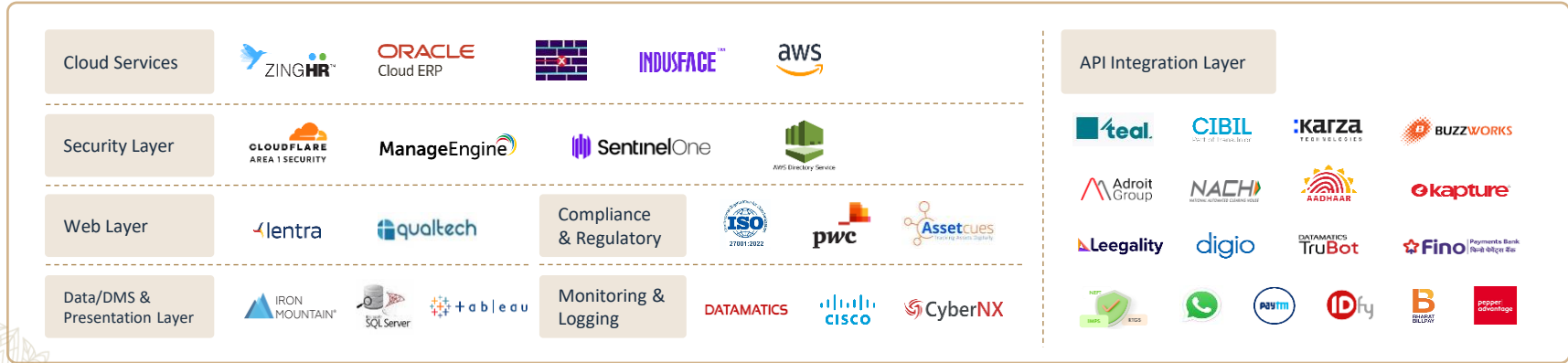
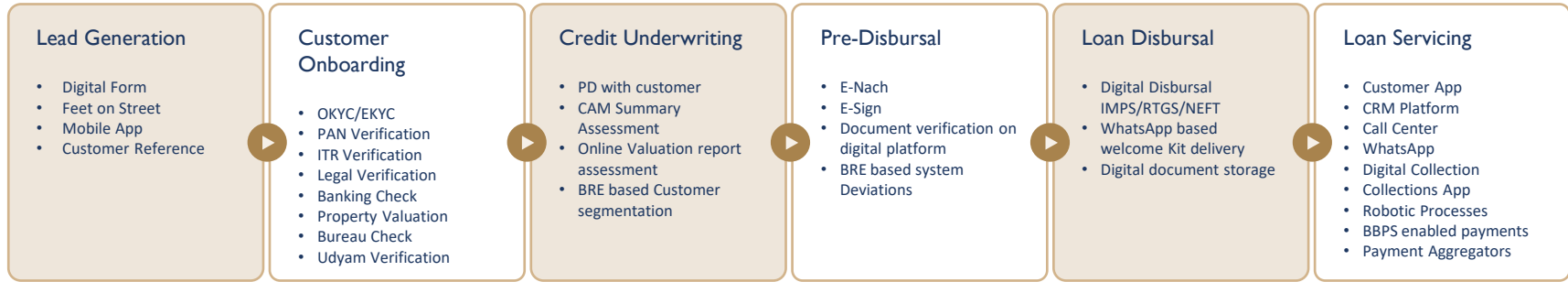
Present in 16 states, 2 UTs covering 157 cities via 197 branches



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

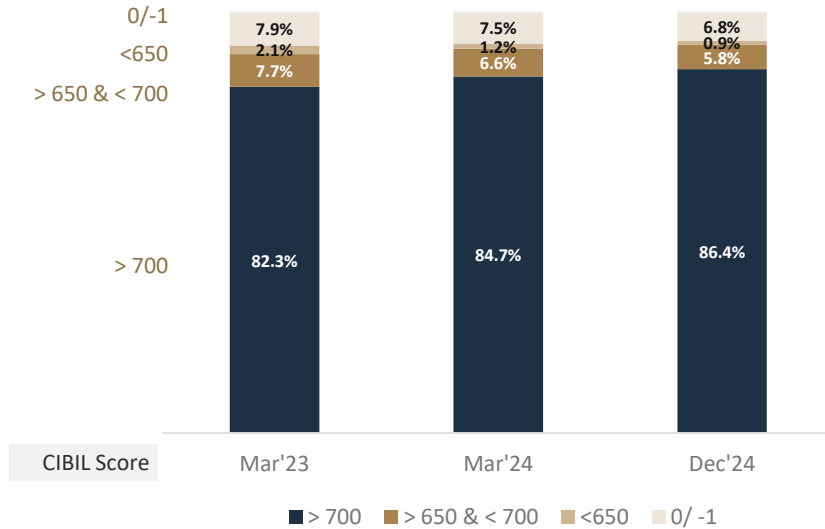
Deep understanding of customer behavior (over 85K MSME customers) & strong knowledge of local markets (16 states, 2 UTs)



# Credit Underwriting

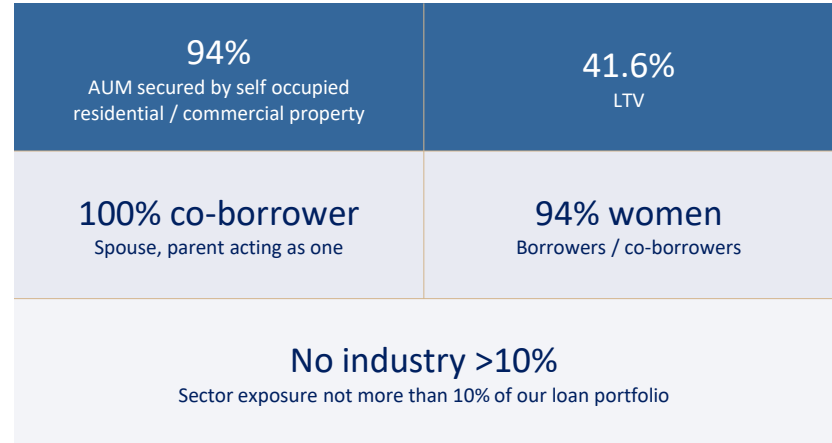
Quality borrowers with credit score above 700

Over 85% AUM from customers with CIBIL >700<sup>1</sup>

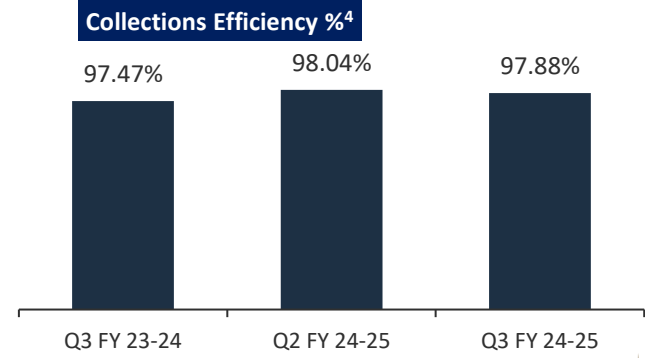
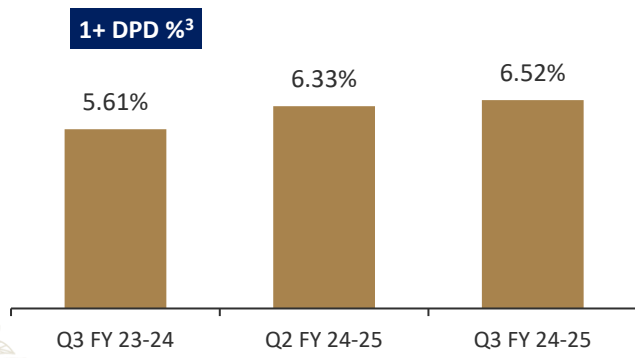
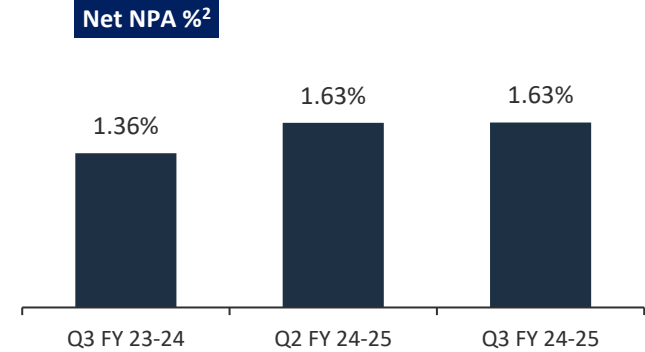
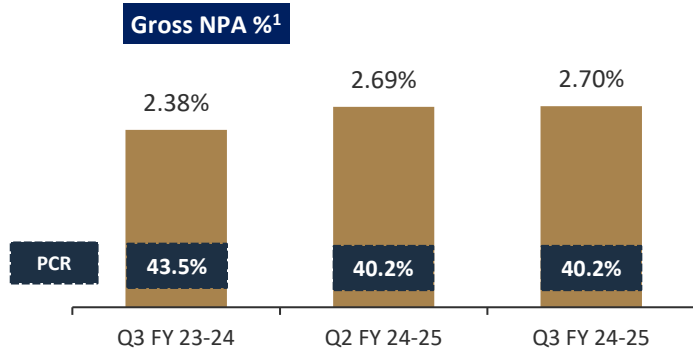


<sup>1</sup>Pertains to secured MSME Loans

Granular loan book with high quality collateral<sup>1</sup>



# Credit Indicators



Note:

- Gross NPA% (Stage 3%) as per IND AS (including EIR adjustment).
- Net NPA% is as per IND AS.
- 1+ DPD % is for secured MSME at AUM level
- 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 December 31, 2024	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	6,701	199	191	7,091
ECL Provision	38	11	77	126
Net Loans Outstanding	6,663	188	114	6,965
<b>ECL Provision %</b>	<b>0.56%</b>	<b>5.61%</b>	<b>40.22%</b>	<b>1.77%</b>

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
<b>ECL Provision %</b>	<b>0.56%</b>	<b>5.18%</b>	<b>40.17%</b>	<b>1.78%</b>

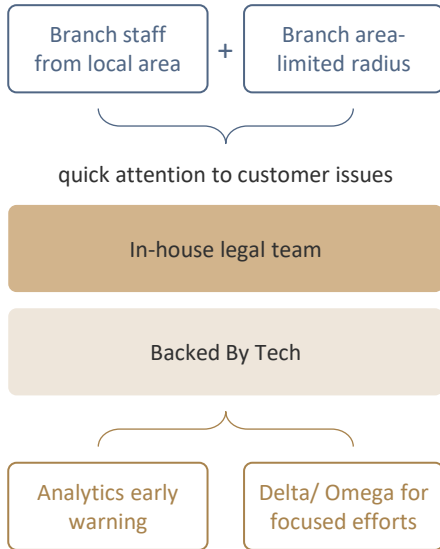
As on December 31, 2023	Stage 1	Stage 2	Stage 3	Total
Gross Loans Outstanding	5,151	241	132	5,524
ECL Provision	32	13	57	102
Net Loans Outstanding	5,119	229	74	5,422
<b>ECL Provision %</b>	<b>0.62%</b>	<b>5.21%</b>	<b>43.46%</b>	<b>1.84%</b>

All figures in ₹ Cr

# Collections Approach

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

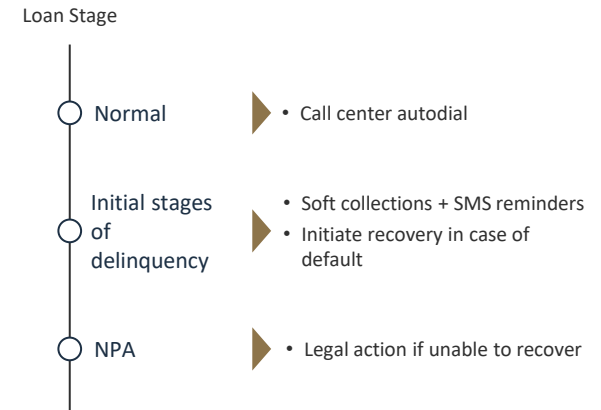
## On-ground Teams



## Scalable Structure



## Adaptable collection strategy as per loan stage

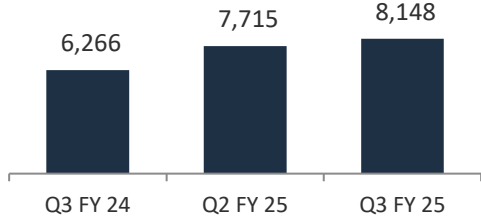


# Financial Performance

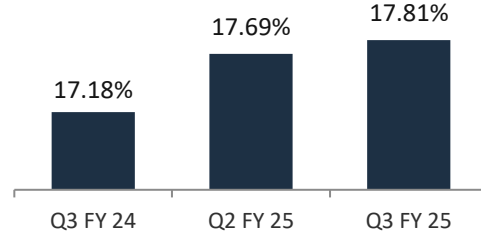
## Quarterly Trends in KPIs

AUM

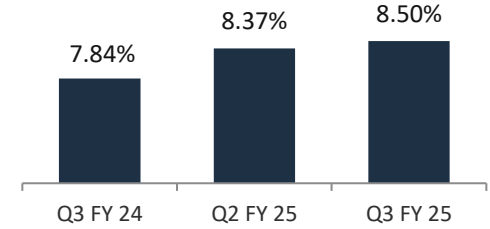
(₹cr)



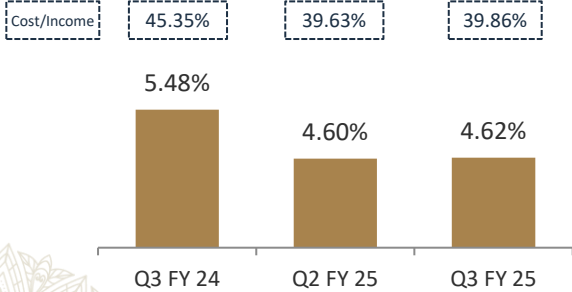
Yield



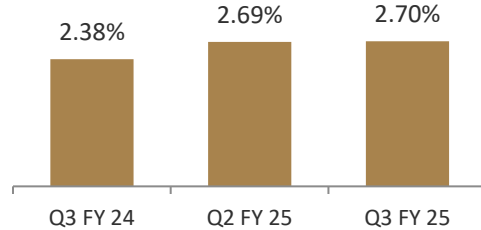
Spread



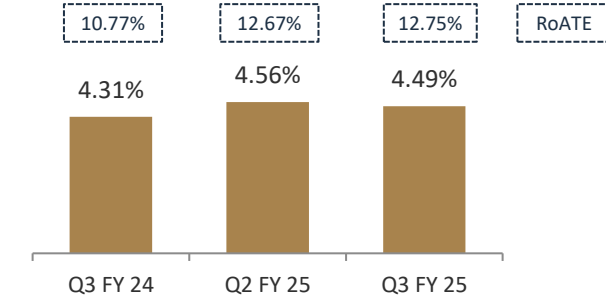
Opex to AAUM



Gross NPA



RoAAUM

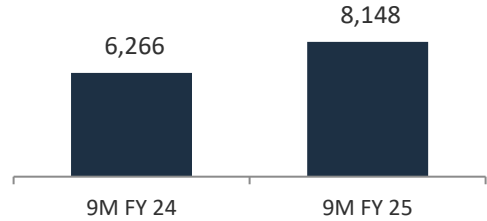


# Financial Performance

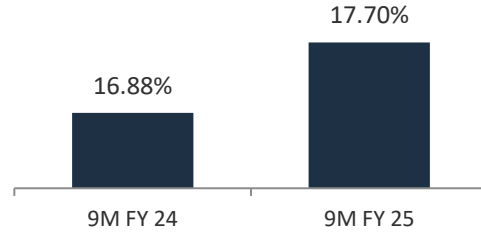
## Trends in KPIs – 9M

### AUM

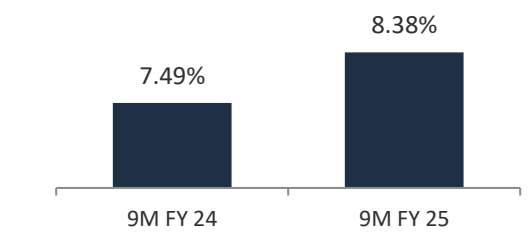
(₹cr)



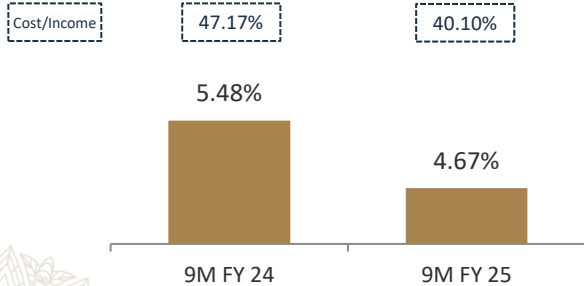
### Yield



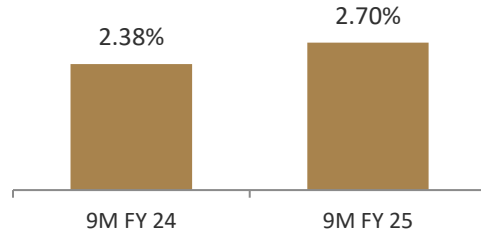
### Spread



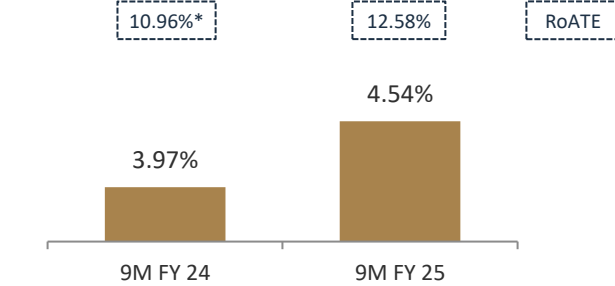
### Opex to AAUM



### Gross NPA



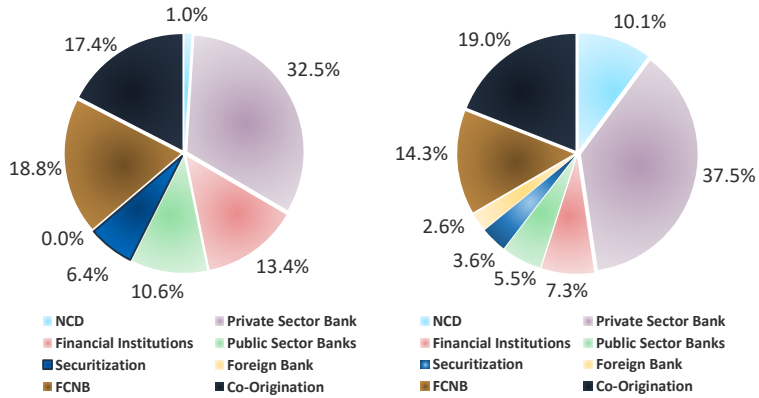
### RoAAUM



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

# Sources of Borrowing

## Diversified Borrowing Mix



Q3 FY24

Q3 FY25

AA- (Stable)

IndiaRatings  
& 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

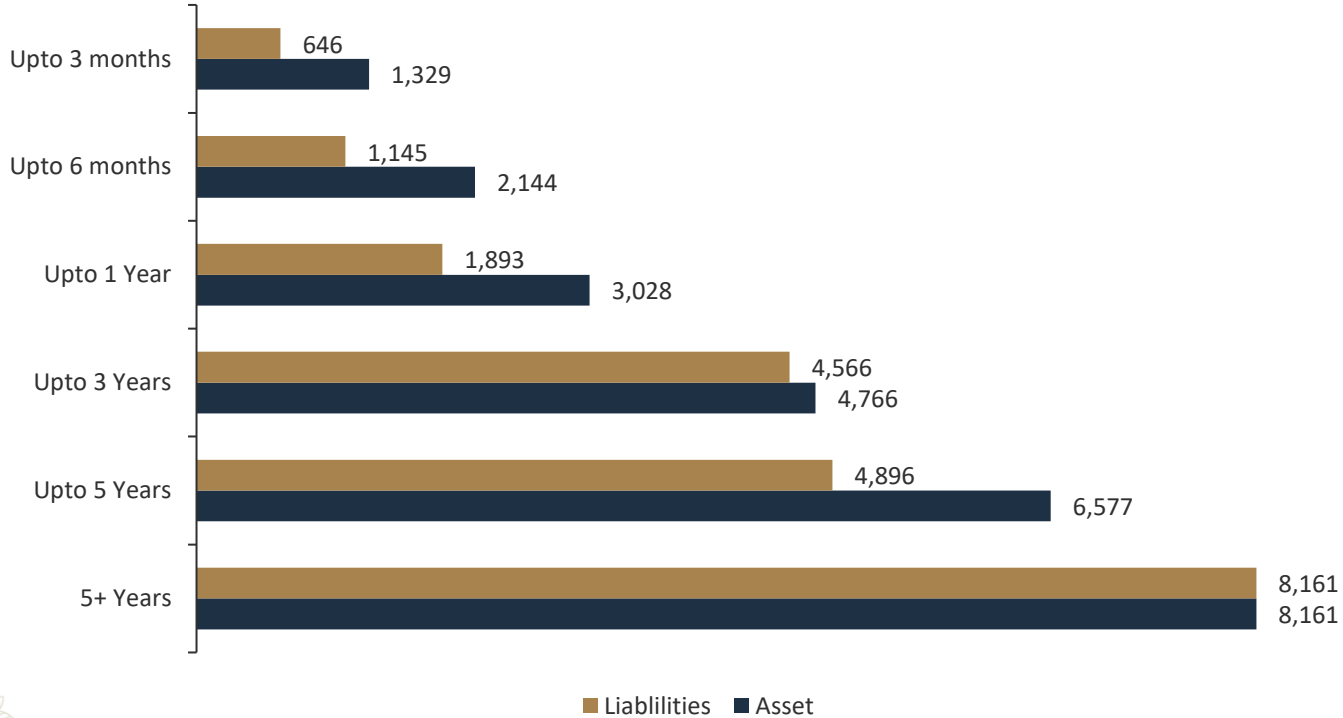


NCD



SBFC

# ALM – December 2024



Surplus

683

999

1,135




200

1,681

All figures in ₹ Cr



# SBFC – 9M FY25 Performance

Size and Growth	Distribution	Granular Book	Asset Quality	Liability Profile	Profitability
 <b>8,148</b> AUM YoY +30%	 <b>197</b> # Branches	 <b>99%</b> % Secured	 <b>2.70%</b> GNPA YoY +32 bps	 <b>2,820</b> Tangible Net worth	 <b>251</b> PAT YoY +53%
 <b>6,781</b> Secured MSME AUM YoY +29%	 <b>4,125</b> Employees	 <b>9.43*   0.94*</b> Average Ticket Size: Secured MSME / LAG (Lakh)*	 <b>1.63%</b> NNPA YoY +27 bps	 <b>CRAR 38.4%</b> Capital Adequacy	 <b>4.54%</b> Return on AAUM YoY +57 bps
 <b>1,905</b> Secured MSME Disbursal Value YoY -8%	 <b>16 States &amp; 2 UTs</b> Pan India presence	 <b>1,64,220</b> # live customers	 <b>0.96%</b> Credit Cost YoY +15 bps	 <b>9.32%</b> Cost of Borrowing YoY -7 bps	 <b>17.70%</b> Yield YoY +82 bps
 <b>20,212</b> Secured MSME Disbursal Volume YoY -5%	 <b>100% in-house</b> Sourcing	 <b>LTV 41.6% / 62.4%</b> Secured MSME / LAG	 <b>40.22%</b> PCR	 <b>AA- (Stable)</b> Credit rating	 <b>8.38%</b> Spread YoY +89 bps

Note: All values in ₹ Cr unless stated otherwise, All metrics as of / for 9M FY25 unless stated otherwise;

## Summary Financial Statements – Profit & Loss Statement for Q3 FY25

Particulars	Quarter Ended			Growth (%)	
	December 2024	September 2024	December 2023	Q-o-Q	Y-o-Y
Interest Income on Loans	301	281	225	7.2%	34.0%
Interest Income other than on Loans	6	8	12		
Fee & Other Income	26	25	27		
<b>Total Income</b>	<b>333</b>	<b>314</b>	<b>264</b>	<b>6.0%</b>	<b>26.2%</b>
Finance Cost	106	100	85		
Operating Expenses	90	85	81		
<b>Pre-Provisioning Operating Profit</b>	<b>137</b>	<b>129</b>	<b>98</b>	<b>5.8%</b>	<b>39.3%</b>
Credit Cost	19	19	12		
Tax Expense	30	26	22		
<b>Profit after Tax</b>	<b>88</b>	<b>84</b>	<b>64</b>	<b>4.9%</b>	<b>37.6%</b>
Basic EPS (Not Annualized)	0.82	0.78	0.60		
Diluted EPS (Not Annualized)	0.80	0.76	0.58		

All figures in ₹ Cr

## Summary Financial Statements – Profit & Loss Statement for 9M FY25

Particulars	Nine Month Ended		Growth (%)	Annual
	December 2024	December 2023	Y-o-Y	March 2024
Interest Income on Loans	845	618	36.7%	866
Interest Income other than on Loans	22	42		52
Fee & Other Income	78	80		102
<b>Total Income</b>	<b>945</b>	<b>740</b>	<b>27.6%</b>	<b>1,020</b>
Finance Cost	301	262		351
Operating Expenses	258	225		306
<b>Pre-Provisioning Operating Profit</b>	<b>386</b>	<b>253</b>	<b>52.7%</b>	<b>363</b>
Credit Cost	53	33		47
Tax Expense	82	56		79
<b>Profit after Tax</b>	<b>251</b>	<b>164</b>	<b>53.3%</b>	<b>237</b>
Basic EPS (Not Annualized)	2.33	1.64		2.35
Diluted EPS (Not Annualized)	2.29	1.60		2.29

All figures in ₹ Cr

# ROE Tree

Ratios	Q3 FY25	Q2 FY25	Q3 FY24	9M FY25	9M FY24
Interest Income on Loans/ Average Loan Book	17.81%	17.69%	17.18%	17.70%	16.88%
Fee & Other Income/ Average AUM	1.31%	1.39%	1.83%	1.41%	1.93%
Borrowing Cost/ Average Borrowings	9.31%	9.32%	9.34%	9.32%	9.39%
Spread	8.50%	8.37%	7.84%	8.38%	7.49%
Net Interest Margin/ Average AUM	10.27%	10.21%	10.26%	10.23%	9.67%
Operating Expenses/ Average AUM	4.62%	4.60%	5.48%	4.67%	5.48%
Credit Cost/ Average AUM	0.97%	1.03%	0.83%	0.96%	0.81%
Profit after Tax/ Average AUM	4.49%	4.56%	4.31%	4.54%	3.97%
Leverage (Avg AUM/ Avg Tangible Equity)	2.84	2.78	2.50	2.77	2.76
RoATE	12.75%	12.67%	10.77%	12.58%	10.96%

# Balance Sheet

Particulars	As On	
	December 2024	September 2024
<b>Assets</b>		
Cash and Bank Balances	448	259
Receivables	14	27
Loan Assets	6,965	6,596
Investments	257	281
Other financial assets	4	56
Current & Deferred tax assets (Net)	8	6
Property, Plant and Equipment etc.	307	302
Other non-financial assets	7	6
<b>Total Assets</b>	<b>8,010</b>	<b>7,533</b>
<b>Liabilities and Equity</b>		
Derivative Instrument	2	3
Payables	13	13
Borrowings	4,813	4,413
Other financial liabilities	93	125
Non-Financial Liabilities	9	12
Equity & Reserves	3,080	2,967
<b>Total Liabilities and Equity</b>	<b>8,010</b>	<b>7,533</b>

All figures in ₹ Cr



THANK YOU!