Our Purpose

Responsible financial partner fulfilling India's aspirations
Our **Purpose Pillars**

1. **Lead with Trust**
   - We respect and reinforce the trust that is placed in us. **We are the partner the country can rely on**

2. **Better Together**
   - We actively collaborate with customers, partners, employees, group companies, communities; **their success is our success**

3. **Futuready**
   - We innovate and leverage technology to anticipate, serve and shape future needs; **setting the path for others to follow**

4. **Faster forward**
   - We bring speed and simplicity; **accelerating the pace at which the future becomes the present**

5. **Capital & More**
   - We serve the customer through the life-cycle of needs; **We are facilitators and counsellors in helping customers achieve their dreams**

6. **Delivering Delight**
   - We go above and beyond to care and make people happy; **We deliver delight to all stakeholders**
Our Vision

To be a leading organization on Growth, Shareholder Returns, Customer Experience and be an Employer of Choice
Tata Capital: Flagship Financial Services Company of the Tata Group

INR 1,27,662 Cr
Loan book

76%
Secured book

3.6 Mn
Customers

Reached 500
Branches in Jul’23

Profitable since inception

Rated AAA by Crisil, ICRA, India Ratings
Corporate Structure

Note: On 28th Mar 2023, the Board of Directors have approved the merger by way of a Scheme of Arrangement of TCFSL and TCCL with Tata Capital. The Scheme will become effective upon fulfilment of all the conditions set out in the Scheme including approvals from the NCLT and other regulators; During the quarter, the RBI and Stock Exchange(s) (NSE & BSE) have accorded their 'No-Objection' for the Scheme and necessary application has been filed with the NCLT for approval of the Scheme.
Business Segments

LENDING BUSINESS

Retail

SME
Channel Finance, Invoice Discounting, Factoring, Term Loans, Working Capital loans

Corporate
Term Loans, Structured Finance & Syndication, Construction Finance, Cleantech Financing

DISTRIBUTION, ADVISORY & INVESTING BUSINESS

Distribution
Insurance & Credit Cards

Wealth Management
Wealth management services & distribution

Moneyfy
Digital financial planning platform

Private Equity
Growth Fund, Healthcare Fund
Expanding reach

- 47 branches added in Q1 FY24
- Reached 500 branches in Jul’23
Strengthening our Brand through focused campaigns

#SunoSabkiKaroDilKi #PhatseHomeLoans #Moneyfy
Reimagining customer experience
New website gaining traction; Traffic up by 1.6x Y-o-Y
Enabling unified customer experience and seamless e2e digital journeys
Accelerated No-touch, paperless disbursements
Increased Business from Direct to Customer Channel

Bringing delight to service
Continued instant self-service focus; higher servicing from Digital platforms
Enhanced Multi-lingual capability
Using conversational service capabilities
Enhanced marketing & communication engine

Rethinking how we operate
Using intelligent automation across value chain to continually improve cost efficiencies
Leveraging data and analytical models to improve metrics across businesses & functions
Deep focus on automation & data-led collection capabilities

Simplifying partner journeys
‘Smart Assist’ platform enabling e2e seamless journeys
95% adoption across all products
Enabling better partner productivity, convenient supervision and ability to serve anytime, anywhere

Embracing ecosystems for growth
Leverage partnerships – Tata Digital, Fintech ecosystem and broader Group – to launch digital first products across retail, mortgage & channel finance
Comprehensive API stack to enable e2e digital / STP partner journeys

Key Digital initiatives during Q1 FY24
1st in industry to launch ChatGPT in Chatbot on Website & App
Launch of revamped App for seamless customer onboarding & servicing experience
Single LoS made live in SME & Corporate business
# Analytics across customer lifecycle

## Better conversion and pricing

- Improve cross-sell & Products per Customer
- Increase Straight through decision making
- Improve collection efficiency
- Drive productivity and efficiency

## Acquisition & Cross-sell
- Leads from existing base & group ecosystem
- Prospect Marketing
- Pre-approved offers
- Segmentation and profitability models

## Underwriting & Disbursement
- Decision scorecards
- Decision tree for policy refinement
- Risk based pricing
- Channel scorecards

## Lifecycle Management & Retention
- Bureau Watch
- Proactive retention models
- Pricing Model/CLTV/Customer risk profiling
- Early warning signals

## Collection & Recovery
- Scorecards built using LR/DT/ML algorithms
- Models used for allocation, self cure, representation strategy, X bucket and flow bucket collections, Settlement and Repo
Driving businesses digitally

**Customer Acquisition**
- 95% customers onboarded through digital platforms
- 108% growth in pre-approved disbursals for the year
- 62% PL disbursed through online channels
- 120+ Partnerships across ecosystem

**Process Transformation**
- 100% applications on Cloud
- 82% of retail logins use scorecard
- 180+ APIs used across ecosystem
- 8L+ ops transactions handled by bots for the quarter

**Customer Experience**
- 86% Digital Adoption
- 9.9L service requests handled digitally for the quarter
- 130+ services on digital channels
- 96% Channel Finance drawdown through online channels

**Collections**
- 92% collections through digital
- 35+ models used across collections management
- 100% Digital app enabled collections workforce
- 50% Digital payments through BBPS
Financial Performance
(Consolidated)
Key takeaways [1/2]

Recorded strong growth of 36% Y-o-Y in disbursals during Q1 FY24; Retail disbursals grew by 45% Y-o-Y over the same period.

Loan book grew by 32% Y-o-Y to INR 1,27,662 Cr; up by 6% Q-o-Q on a quarterly basis. Over the past 12 months, loan book incrementally grew by INR 30,804 Cr.

Loan book continues to remain granular, with Retail + SME book contributing in excess of 80%.

NIM+ Other Revenue increased by 28% Y-o-Y to INR 1,837 Cr; the growth was partially moderated by higher cost of funds.

Credit costs stood at 0.3% in Q1 FY24; lower by 70 bps on a Y-o-Y basis supported by superior asset quality and strong collection efficiencies – better than pre-covid levels.

RoA for the quarter increased by 10 bps to 2.3% as against 2.2% for FY23 (excluding one-time gains of INR 561 Cr in FY23).
Asset quality as of Jun’23 remained best in class with GNPA at 1.5% (Jun’22: 1.9%), NNPA at 0.4% (Jun’22: 0.6%), and PCR at 73% (Jun’22: 71%); amongst highest PCR in industry.

Our total loan loss provisions stood at 2.4% of the loan book as on Jun’23. The same is 2.1x of provisions required as per IRAC norms.

Digital business grew by 1.9x as we continue to reimagine digital assets and invest significantly in our core systems / technologies, to provide best-in-class customer experience.

Strengthen core technologies & digital capabilities, leverage partnerships and participate in ecosystem activities to expand distribution, target new segments and improve cross-sell.

High focus on digitizing collections processes for better efficiencies and superior asset quality; 92% collections are through digital channels.

Focus on employee engagement and retention leading to 18% Y-o-Y reduction in attrition levels.
Performance Highlights – Q1

Q1 FY24

- **Disbursements**: INR 21,058 Cr (36% increase)
- **Loan Book**: INR 1,27,662 Cr (32% increase)
- **Income**: INR 1,837 Cr (28% increase)
- **Net NPA**: 0.4% (20 bps decrease)
- **PAT**: INR 701 Cr (25% increase)
- **RoA**: 2.34%

Q1 FY23

- **Disbursements**: INR 15,433 Cr
- **Loan Book**: INR 96,858 Cr
- **Income**: INR 1,438 Cr
- **Net NPA**: 0.6%
- **PAT**: INR 559 Cr
- **RoA**: 2.37%

1 Excluding one-time items PAT Y-o-Y growth stands at 30%
Disbursements & Loan Book

Disbursements:
36% YoY Growth

- Q1FY23: 15,433
- Q4FY23: 21,511
- Q1FY24: 21,058

Loan Book:
32% YoY Growth

- Q1FY23: 96,858
- Q4FY23: 1,19,950
- Q1FY24: 1,27,662

Retail + SME Loan Book: 80%+

- All figures in INR Cr
- Retail + SME
- Corporate

80%+
Asset Quality

**Gross Stage III (%)**
- Jun'22: 1.9%
- Mar'23: 1.7%
- Jun'23: 1.5%

**Net Stage III (%)**
- Jun'22: 0.6%
- Mar'23: 0.4%
- Jun'23: 0.4%

**PCR (%)**
- Jun'22: 71%
- Mar'23: 77%
- Jun'23: 73%
Liability Mix

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<th></th>
<th>Jun'22</th>
<th>Jun'23</th>
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<tbody>
<tr>
<td>NCD</td>
<td>47%</td>
<td>42%</td>
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<tr>
<td>Bank loans</td>
<td>8%</td>
<td>8%</td>
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<tr>
<td>CP</td>
<td></td>
<td></td>
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<tr>
<td>ECB</td>
<td>5%</td>
<td>7%</td>
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<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
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**Diversified funding mix** including ECBs as well as public NCDs

**Well-articulated capital raising plan with a focus on raising more granular, sticky liabilities**

**Maintained adequate liquidity along with a well-managed ALM**

Credit ratings Rated AAA by

CRISIL

Moody's Investors Service

ICRA

India Ratings & Research
Financial Performance

<table>
<thead>
<tr>
<th>FY23</th>
<th>INR Cr</th>
<th>Q1 FY23</th>
<th>Q1 FY24</th>
<th>Y-o-Y Growth</th>
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<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td>74,995</td>
<td>Disbursals</td>
<td>15,433</td>
<td>21,058</td>
<td>36%</td>
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<tr>
<td>1,19,950</td>
<td>Loan book</td>
<td>96,858</td>
<td>1,27,662</td>
<td>32%</td>
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<tr>
<td>7,036</td>
<td>NIM + Other Revenue</td>
<td>1,438</td>
<td>1,837</td>
<td>28%</td>
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<tr>
<td>2,664</td>
<td>Operating expenses</td>
<td>586</td>
<td>758</td>
<td>29%</td>
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<tr>
<td>574</td>
<td>Credit cost</td>
<td>90</td>
<td>85</td>
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<td>8</td>
<td>Diminution investment</td>
<td>140</td>
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<tr>
<td>3,790</td>
<td>Profits before tax(^1)</td>
<td>621</td>
<td>994</td>
<td>60%</td>
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<tr>
<td>2,975(^2)</td>
<td>Profits after tax(^1)</td>
<td>559</td>
<td>701</td>
<td>25%</td>
</tr>
</tbody>
</table>

1 Excluding one-time items PBT & PAT Y-o-Y growth stands at 31% & 30% respectively
2 FY23 PAT includes one-time gains of INR 561 Cr
Awards & Recognition

- ET BFSI Excellence award – Microfinance Team 2023
- Best BFSI Brand- Economic Times Best BFSI Brands 2022
- Multiple awards at Digital Customer Experience Confex and Awards, 2023
- Best in class Wealth tech Solution Award at Global Fintech Awards 2022
- Green Urja award – Top Private financing institution for RE and EE 2023
- Best Digital Customer Experience Transformation Initiative at Annual CX Excellence Awards - 2023

- Audit Excellence Award at Annual Banking & Finance Audit Conclave, 2023
- Best Digital Strategy (BFSI) – Search Engine Marketing, 2022
- Best Digital Transformation at CX Innovation & Technology Summit & Awards, 2023
- Excellence Award under ‘Lending’ category by ASSOCHAM, 2022
- Excellence in Real estate finance (Metro) at Naredco Times Real Estate Conclave & Icons, 2023
- Recognized as ‘Most Ethical Procurement Company’, Procurement Leadership Awards, 2023
Impacting Lives

- Climate Action
  - Water security
  - Renewable energy
  - ~193,500 lives impacted

- Health
  - Cancer Care Treatment
  - Eradication of curable blindness
  - ~351,500 lives impacted

- Education | Skilling
  - Scholarships
  - Quality Primary Education
  - Financial Literacy
  - ~323,000 lives impacted

868,000+ beneficiaries through our programs

- Aligned to our group focus areas and Sustainable Development Goals (SDGs)
- Benefits the Socially and Economically underprivileged and Affirmative Action Communities
- Trusted partners to deploy
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