



SHIVALIK

Shivalik Small Finance Bank
(A Scheduled Commercial Bank)

CORPORATE PRESENTATION

MARCH 2022



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SHIVALIK SMALL FINANCE BANK OVERVIEW

INTRODUCTION – A BANK OF MANY FIRSTS

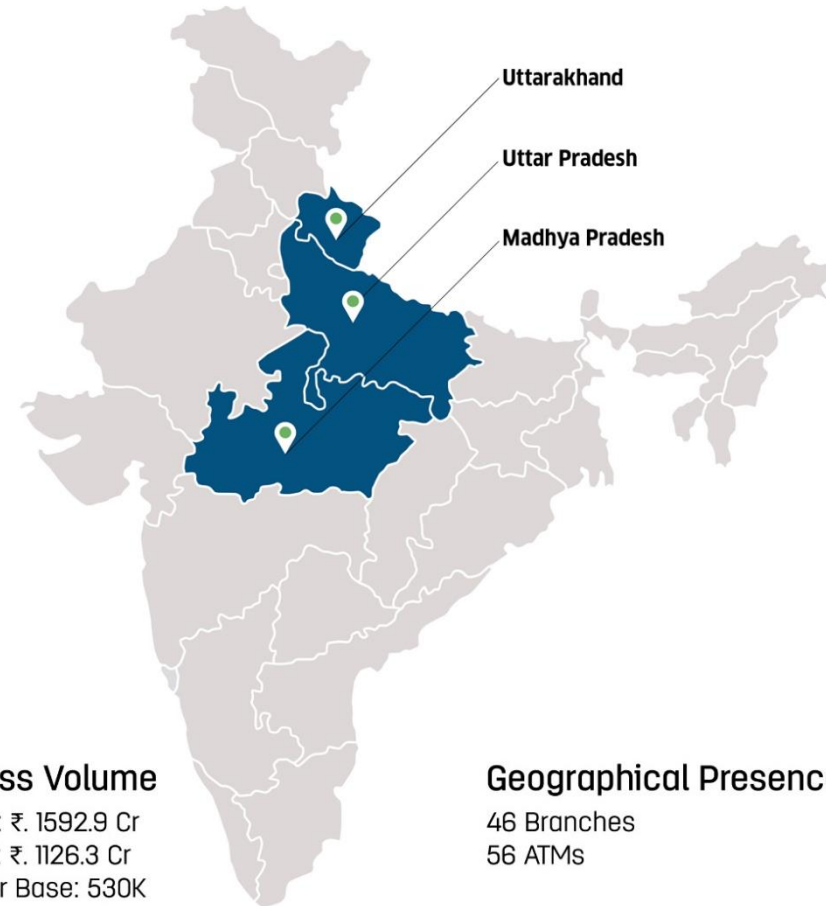


- Started in 1998 from a garage!

- First UCB to receive a commercial banking license as a Small Finance Bank

- First bank to host CBS, Digital Suite and Payments on Cloud in India

- Pre-transition, it was the first and largest multi-state UCB in Uttar Pradesh



OUR EVOLUTION TO A COMMERCIAL BANK



1998

Starts operations in Saharanpur, Uttar Pradesh

2010

Acquires another UCB – becomes a Multi State UCB

2013

Adopts FIS Profile CBS on Cloud – First in India

2017

Centralises major banking functions at new office

2019

Makes application to RBI to become a SFB

2020

Receives in-principle approval to become a SFB

2022

Achieved 40% YoY growth in business size

Achieves full computerisation of its operations

1999

Completes second acquisition of a UCB

2012

Launches Internet and Mobile Banking

2015

Commences digital transformation project

2018

Switches tech platform to Infosys Finacle

2019

Commences operations as a SFB

2021

- A 23 year journey to become India's first UCB to transition to a Small Finance Bank! **Shivalik is the first UCB to transition to a Small Finance Bank in India**



The Beginning

- Started in 1998 by a visionary entrepreneur who believed banking services had to be improved and made available to the underserved segment of the population
- Charted a long journey as a UCB starting as a single district bank, further expanding to the whole of Uttar Pradesh and then growing to a multi state bank by acquiring banks in Madhya Pradesh

Tech Focus

- Tech focused from the beginning as the founders had a strong engineering mindset
- Computerized all services bank in 1999 and first bank to host CBS on cloud in 2013!
- Invested in a large digital transformation in 2018 including switching over CBS and Digital Banking Suite to Infosys Finacle on a cloud-hosted model – A first in India

Offices and Employees

- Registered office is in Delhi, India
- Head Office is in Noida and another administrative office is in Saharanpur
- Employee Strength : ~780



Our Vision

To be a trusted financial services provider and model employer focusing on small and underserved segments through the delivery of digitally focussed affordable products and services and differentiated customer experience.

Our Purpose

- Socially responsible impact lender
- Digital first approach across products and service offerings
- Financial inclusion and increasing financial literacy
- Innovator in financial products and processes
- Aim to become a complete solution provider to our customers
- Environment, Social and Governance (ESG) compliant
- Create value for all stakeholders - Society, Employees, Customer, Organization and Shareholders

VOLUNTARY TRANSITION TO SFB – A PIONEERING JOURNEY



- On 27 September 2018, RBI released guidelines permitting the voluntary transition of Urban Co-operative Banks (UCBs) into Small Finance Banks (SFBs).
- Submitted an application to the RBI in January 2019 making it the first bank to apply under the guidelines
- Received in-principle approval from the RBI to transition to a Small Finance Bank on 6 January 2020 – this is testament to the strength of the business model and internal control systems.
- Received the license to commence banking business as a Small Finance Bank on 1 January 2021, well ahead of the 18 month timeline permitted by the RBI.
- Commenced business as a SFB, India's newest private sector commercial bank on 26 April 2021.
- Received Scheduled Bank status on 3 July 2021.

- **A pioneering journey of being the first UCB to become a Small Finance Bank in India**



SHIVALIK IN NUMBERS



Small Finance Banks were set up with the following objectives by the RBI :

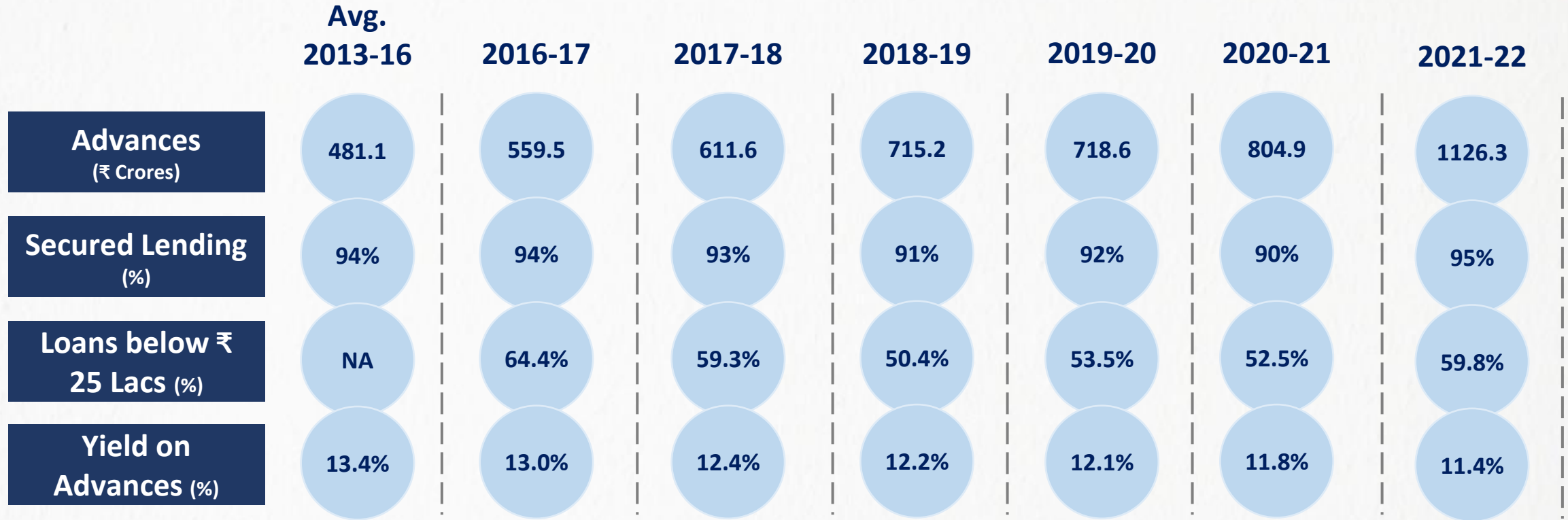


Shivalik was born to be a SFB



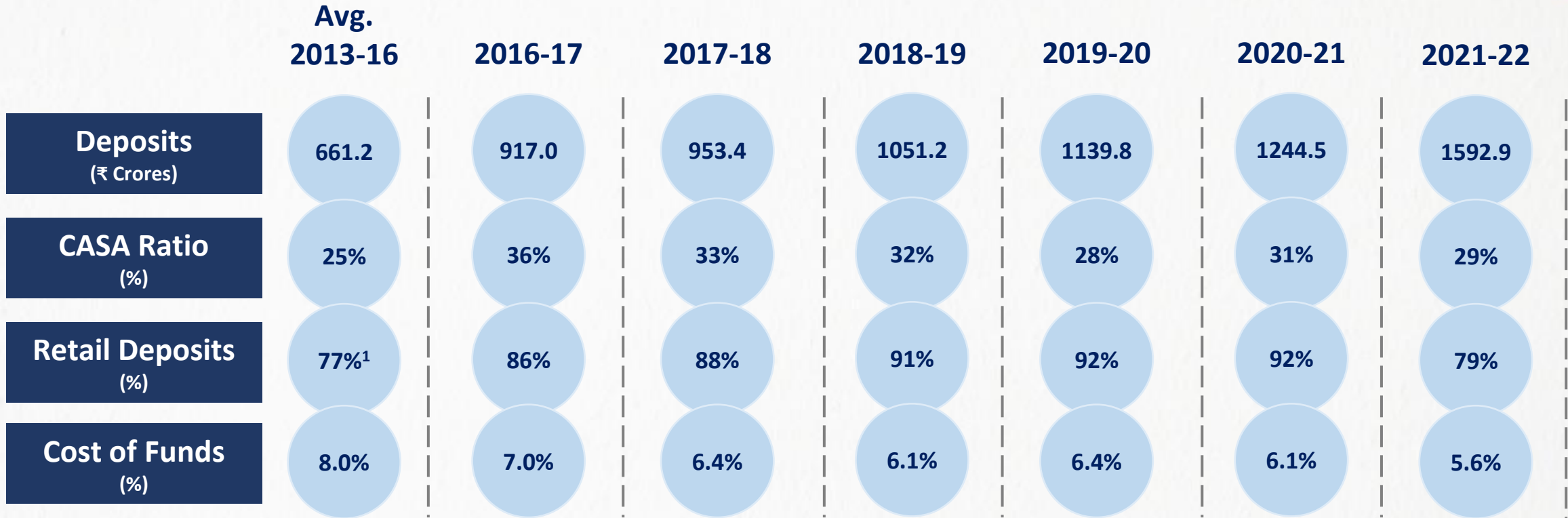
1. Proportion of customers transacting on digital and assisted digital modes including internet, Mobile Banking and mATM/ handheld devices
 2. Average of the last 5 years
 3. Financial Inclusion 'SHG group account / total number of loan account'

SECURED RETAIL LOAN BOOK



- Our focus has always been on small ticket lending and building a secured, well diversified loan book
- Fully aligned with the SFB mandate of retail lending

GRANULAR DEPOSIT BASE



- Maintained a low cost of funds through focus on building a granular, retail deposit base
- Working like a SFB for many years focusing on financial inclusion

¹ Average of 2014-15 and 2015-16 only

DIGITAL & OPERATING EFFICIENCIES

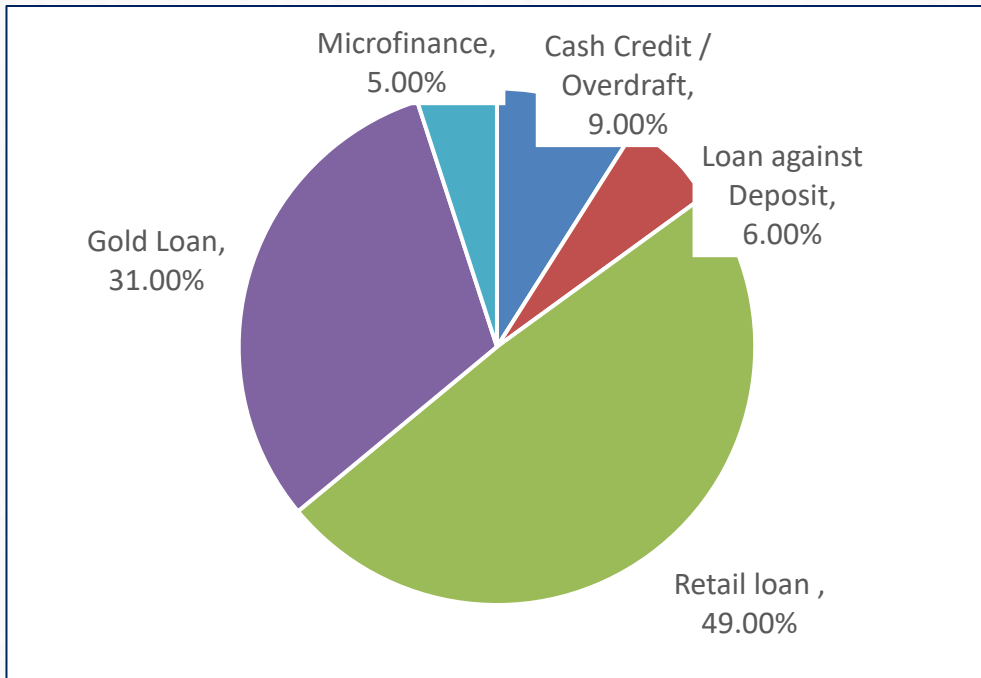


	Avg. 2013-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Net Interest Margin (%)	4.1%	4.0%	4.2%	4.1%	4.0%	4.2%	4.1%
Digital Savings Ac Opening (%)	NA	28.6%	59.5%	90.4%	84.1%	94.5%	95.1%
IT Capex / Revenue (%)	0.7%	1.2%	3.0%	3.6%	16.3%	1.3%	6.2%
Credit – Deposit Ratio (%)	67.6%	57.6%	60.7%	64.2%	59.9%	61.2%	70.7%

- High NIM for a diversified secured lender driven by low cost of funds
- Large tech spends completed to be ready to scale as a SFB



Credit Portfolio Split



Key Credit Portfolio Highlights

% Loans Secured by Collateral

95%

Average Ticket Size

₹ 1.77 Lakhs

**Small Lending %
(Upto ₹25 Lakhs per borrower)**

> 59%

Business and Individual Loans Split

Business : 32%
Individual : 68%

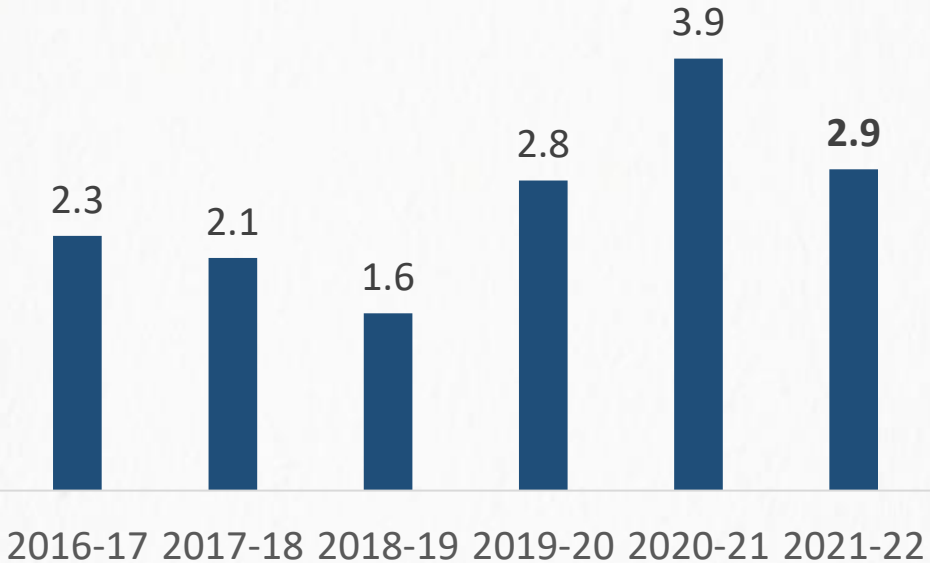
- Well diversified portfolio with minimal concentration risk due to low average ticket size and almost no unsecured exposure

¹Retail Loans refers to Term Loans includes loans to MSME & other retails businesses and individual loans such as housing, asset purchase and agriculture.

STABLE ASSET QUALITY



Gross NPA (%)



Net NPA (%)

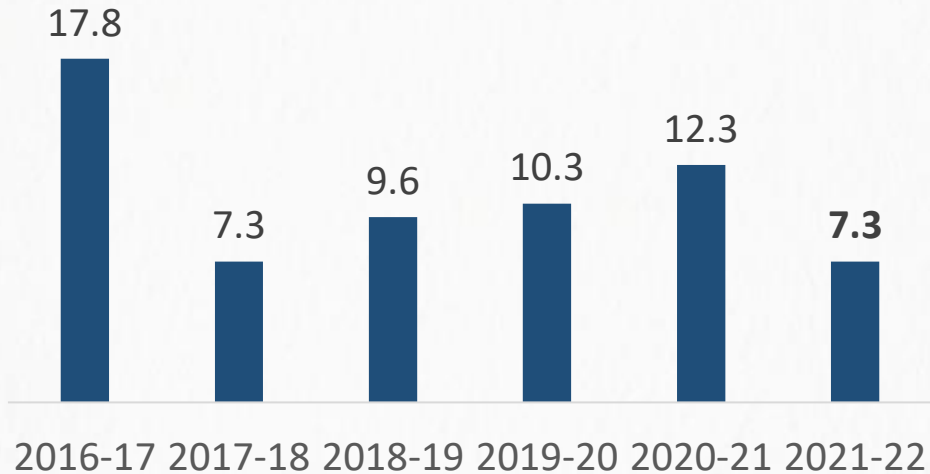


▪ **Gross NPA in FY 2021-22 stood at 2.9% and Net NPA stood at 1.2%.**

PROFITABILITY

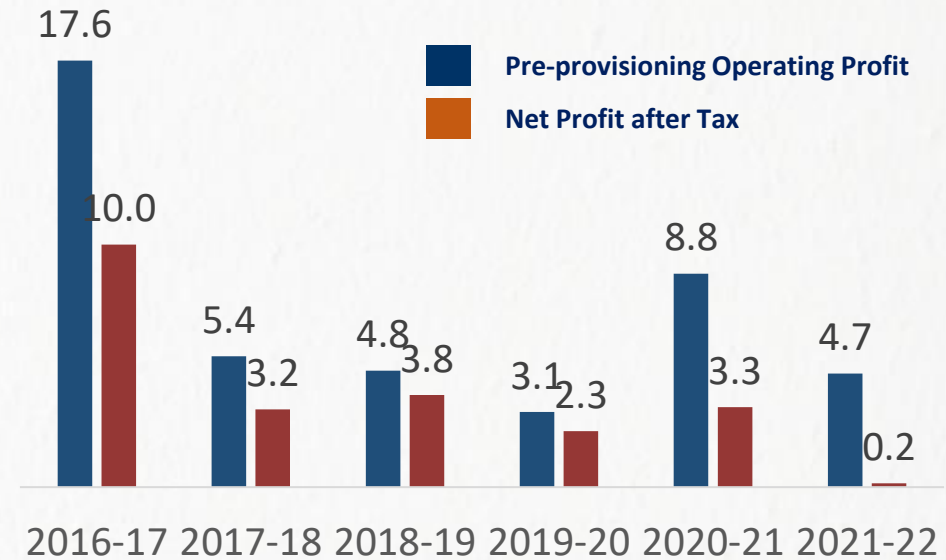


EBITDA (₹ Crores)



- Focused on sustainable EBITDA growth

Operating and Net Profit (₹ Crores)



- Major transformations completed from internal accruals

- Profitable since inception, the bank has always focused on return to shareholders
- Increased branch count by 50% and completed a technology transformation since 2017



OPERATIONAL OVERVIEW



Description	Status for Shivalik
Banking Outlets which includes full service branches, on and offsite ATMs and other banking centres	<ul style="list-style-type: none"> • Branches : 31 • ATMs : 57 • BC Centres : 4
Large Customer Base	~ 5.3 Lacs
Major retail banking deposit and loan products	✓
CASA ratio (Low Cost Deposits)	29.22%
Significant Business Size	~INR 2,719 Cr
Profitable and dividend paying track record	Since Inception

- **Strong track record, exceptional CASA ratio and adequate business size poised to scale further**

PAYMENTS SYSTEMS



Description	Status for Shivalik
NEFT/RTGS	✓
Debit Cards for use across ATMs in India	✓
POS (Point of Sales) machines	✓
E-Commerce Transactions	✓
IMPS, Aadhar Enabled Payment System (AePS), Aadhar Bridge Payment System (ABPS)	✓
NACH, Bill Payments and cheque clearing	✓
UPI	✓

- The bank is active on almost all payment channels prevalent in India.

CHANNEL BANKING



Description	Status for Shivalik
Internet Banking	✓
Mobile Banking	✓
Instant Loan Origination on Digital Channels	✓
Tablet Banking through micro ATMs (m-ATMs)	✓
Distribution of insurance products	✓
Banking centres and Village Level Entrepreneurs	✓
Modern and interactive website	✓

- **Multiple channels for customer convenience – a good mix of ‘brick’ and ‘click’ offerings.**



Description	Status for Shivalik
Centralized teams for account opening, credit appraisal and disbursal	✓
Dedicated internal audit, risk management and credit monitoring units	✓
Custom designed Loan Origination Platform suited to small lending needs	✓
Anti-Money Laundering Software for PMLA norms	✓
CTS and centralized clearing activities	✓
Policy development teams across verticals	✓
Adequate insurance coverage incl. cyber risk	✓

- **Strong risk management ethos and internal control systems are embedded in our work culture**



Description	Status for Shivalik
Core Banking Solution (Powered by Infosys Finacle on Cloud)	✓
Internet and Mobile Banking	✓
Paperless Account Opening	✓
Cash Recyclers at ATM locations	✓
Payments Switch & Fraud Risk Management	✓
Internal Business Process Automation such as Office 365, Audit software and others	✓

- **Best in class technology platform shows the commitment to keep pace with the modern advancements.**



Core Banking 	Digital Banking 	API Gateway 	Switch and Cards
Micro ATMs 	UPI 	IMPS 	Reg Connect

Partnering with the best to deliver a superlative experience!

OTHER FACTORS



Description	Status for Shivalik
Appropriate channels for customer service and grievance redressal	✓
Alignment in HR and Learning & Development Teams	✓
Strong Corporate Governance Framework and experienced management team	✓
Significant supporting infrastructure including state of the art head office(s)	✓
Payments Switch & Fraud Risk Management	✓
Significant partnerships and tie ups with a number of supporting service providers such as insurance, payments switch, bill payments, POS installation and others	✓

- Significant investment made to get the bank ready to scale in the future

PRODUCTS & SERVICES



Deposits

Savings	Fixed Deposits	Flexi Recurring Deposits
Current	Door-to-Door Deposit	

Loans

Home Loans	Personal And Consumption Loans	Gold Loans	Car/Auto Loans
Two-Wheeler Loans	Loans for Working Capital	Reverse Mortgage Loans	Roof Top Solar Loans
Loans to Professionals And Self Employed	Loans for Micro/SSI Units	Retail Traders Loans	Commercial Building Loans
Commercial Vehicle Loans	Self Help Groups (SHG) And Mini SHG	Loans Against Warehouse Receipts	Shivalik Green Card (Kisan Credit Card)

Digital Services

Net Banking	Mobile Banking	Debit Card	ATM Banking
Recyclers	SMS Banking	AEPS (Aadhaar Enabled Payment System)	Fund Transfer (UPI /RTGS/NEFT/IMPS/NACH)
e-commerce		POS Machine	

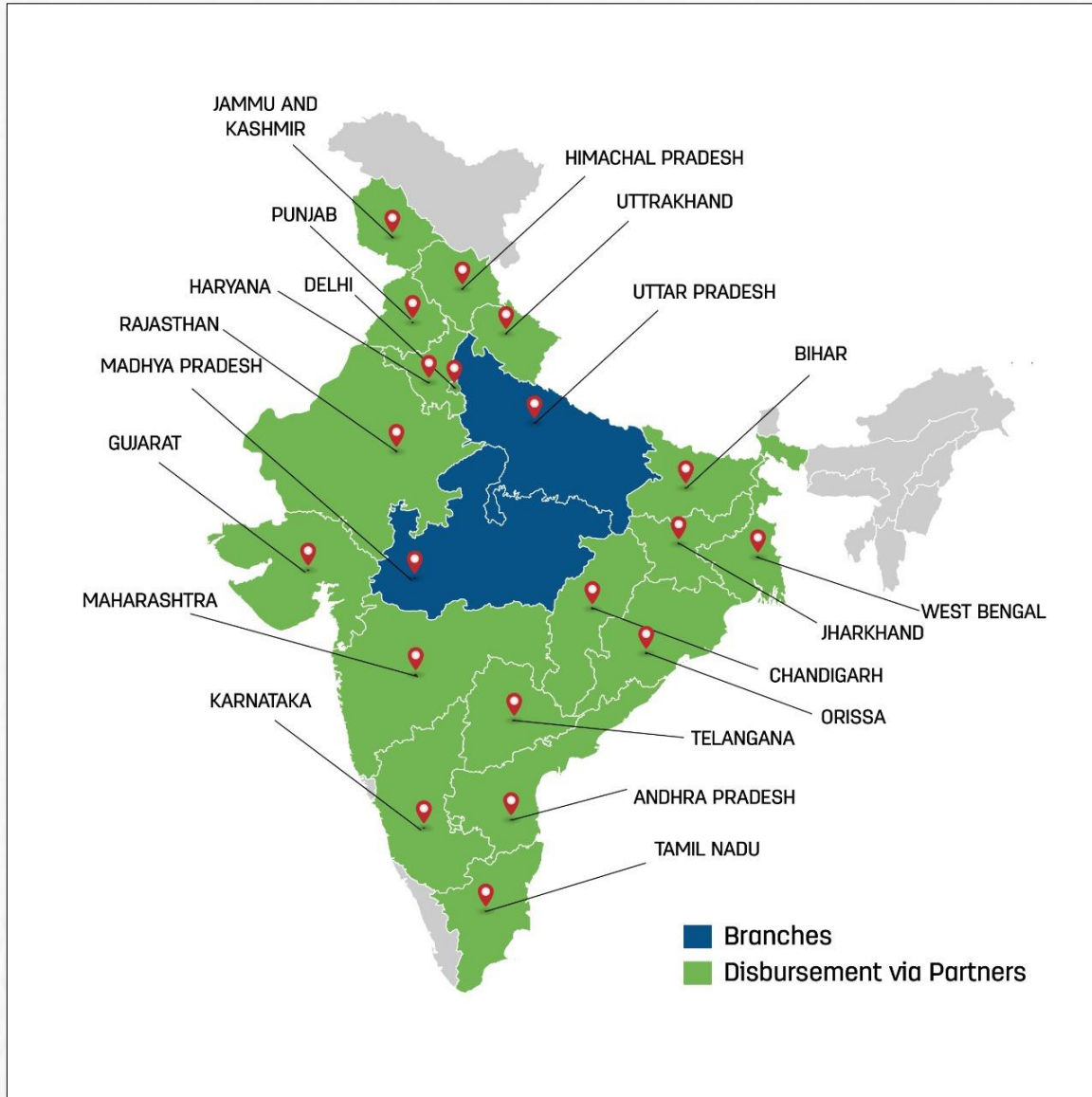
Add-on Services

Insurance	Remittances	Lockers
Business Correspondents	Forex	PAN Card services



GEOGRAPHICAL PRESENCE

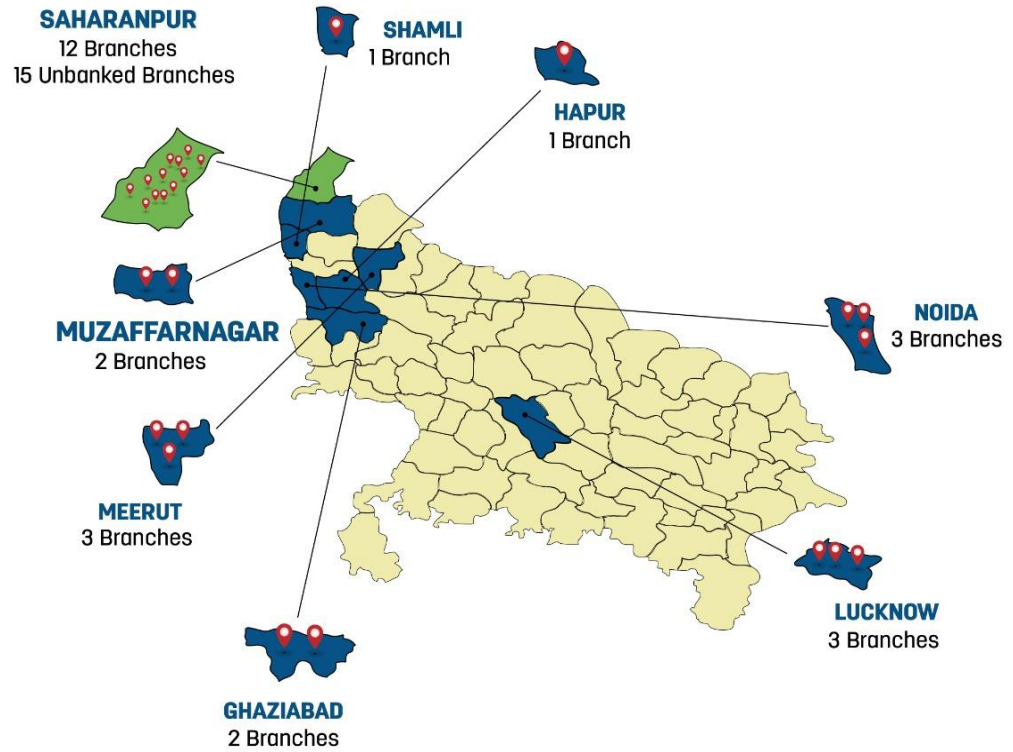
PRESENT IN INDIA'S LARGEST STATES



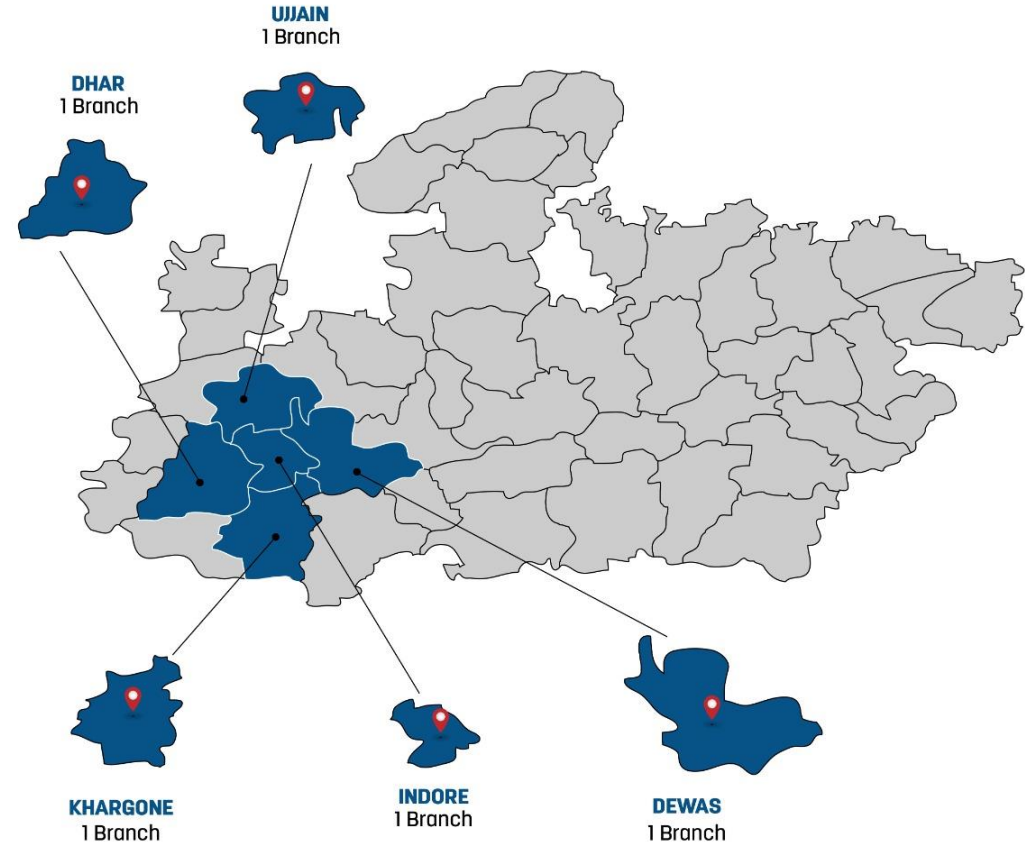
- 46 branches in India's two most populous and largest states – Uttar Pradesh and Madhya Pradesh
- 90 customer touch points through branches, ATMs and banking correspondent centres
- Delhi and Uttarakhand serviced through presence in Noida and Saharanpur

* Includes borrowers acquired via partnerships

PRESENCE IN UTTAR PRADESH & MADHYA PRADESH



26 Branches & 15 Unbanked Branches in Uttar Pradesh



5 Branches in Madhya Pradesh



MANAGEMENT PROFILES

MANAGEMENT TEAM



Anshul Swami
MD & CEO

Role at Shivalik

Anshul Swami recently joined Shivalik Bank. He is responsible for overall operations of the bank.

Total Experience

19 Years

Profile Summary

Anshul is a seasoned banker with over 20 years of rich experience across various customer and geographic segments. He has worked across various customer segments like Retail, MSME, Microfinance and Agri. Anshul brings to the table experience across product & portfolio management, Digital lending, Rural branch banking, Business planning & implementation, Sales, and Underwriting.

Anshul is an alumnus of the Indian Institute of Management- Lucknow (IIM-Lucknow). Prior to Shivalik SFB, Anshul was associated with RBL Bank as Head – Retail & Inclusion, Products. He has also held positions with Barclays, Citi Financial, and Britannia.

Professional Qualifications

Anshul is a mechanical engineer and holds an MBA degree in Marketing & Finance from IIM Lucknow

MANAGEMENT TEAM



Gaurav Mittal
Chief Operating Officer

Role at Shivalik

Gaurav Mittal has been working with the bank since 2013. He is responsible for Business Development, Operations, Customer Service, Strategy & Planning and Marketing functions.

Total Experience

18 Years

Profile Summary

Gaurav Mittal is an extremely focused professional with an eye for details. His relentless energy has helped the bank to achieve significant milestones.

He has worked in Worlds Windows Group, as DGM Strategy. As a part of the strategy team, he worked with the Group Chairman. His role was to identify new business opportunities, M&A targets and streamline existing business operations. He has also worked in SKIL Infrastructure where he was responsible for setting up & launching United Kingdom (UK) based Strathclyde Business School (SBS) India campus at Greater NOIDA. He was Research Manager in US based CEB, a best practices research firm, now part of Gartner - the world's leading information technology research and advisory company, where he managed a team of research associates working on reports in Retail, Corporate, and Private Banking for senior executives at leading financial institutions in US, Europe & Asia.

Professional Qualifications

He holds a B. Com. (Hons.) from University of Delhi and M.Sc. (Finance) from University of Strathclyde Business School, Scotland, UK

MANAGEMENT TEAM



Gaurav Seth
Chief Financial Officer

Role at Shivalik

Gaurav Seth has recently joined Shivalik Bank. He holds the responsibility of Finance Function of the Bank

Total Experience

16 Years

Profile Summary

Gaurav Seth brings in a combination of prudent financial acumen.

He was associated Eko India Financial Services (a Fintech platform providing digital financial services to the unserved and underserved strata of the society) where he was Head of Finance. He has a extensive experience in strategic financial planning, cost and profitability management, business process re- engineering, treasury, investor relations devising pricing strategies etc.

He was associated with companies like ACTIS, KPMG and Deloittee.

Professional Qualifications

He holds a Bachelor degree in Commerce from Delhi University and completed his CA from the institute of Chartered Accountants of India.

MANAGEMENT TEAM



Navleen Kundra
Chief Risk Officer

Role at Shivalik

Navleen Kundra has been working with Shivalik Bank since April 2019. He holds the responsibilities of the Risk Management function.

Total Experience

42 Years

Profile Summary

With a wealth of 42 years of experience, Navleen Kundra brings the wisdom to guide the bank on the path of a prudent risk management framework. He has been instrumental in setting up processes from scratch in Credit, Risk management, Law, Recovery, System implementation as well as Information Assurance (Cyber Security),

Prior to joining Shivalik, he was General Manager and Chief Risk Officer at Oriental Bank of Commerce by chartering policies & models and was involved in marquee projects.

Prior to heading the risk departments, he headed various branches including Rural, Urban and Metropolitan (Delhi and Mumbai), large Corporate branch in Mumbai, post which he shouldered responsibilities as the Regional Head of Jaipur Region & New Delhi Region.

He was also convenor of State Level Bankers Committee of Delhi State.

Professional Qualifications

He holds a Bachelors in Arts and Law and holds a Certificate in Risk Management in Financial Services from CISI, UK.

MANAGEMENT TEAM



Suvendu Ghoshal
Chief Human Resource
Officer

Role at Shivalik

Suvendu Ghoshal has been working with the bank since Feb 2021. He is responsible for Human Resources, OD Strategy including Learning and Development along with Talent Management for the Bank

Total Experience

28 Years

Profile Summary

Suvendu Ghoshal is a strategy driven professional and champions organizational development.

He has more than 28 years of experience in the corporate sector. He has held many senior roles in his career. He has been VP- HR with Hewitt Associates, CHRO with JCT Ltd. AVP HR with Xansa, Corporate People Engagement Head with Airtel.

He has led many interventions on organizations transformation, design, restructuring and change management. He is the author of “21 Century Professional Handbook” and Co-edited “Perform or Perish” - The People Dimension with an IIM-A professor.

Professional Qualifications

He is a Management Professional from MDI, NIPM. He is a certified coach from CPI Global, and in People Assessments with SHL & Hewitt.

MANAGEMENT TEAM



Ankit Khare
Chief Technology Officer

Role at Shivalik

Ankit Khare has been associated with the Bank since February 2017. He is leading the Information Technology function of the Bank and is responsible for IT strategy formulation and governance

Total Experience

15 Years

Profile Summary

Ankit Khare is an articulate professional and champions driving technology related changes in the Bank.

He was associated with Infosys, Equity Bank Ltd., Propense Technology, ACLEDA Bank among other, prior to joining Shivalik Bank

He has a rich experience in domestic as well as international markets with major banks delivering mid to large projects including Finacle CBS implementation/migration/support and implementing Oracle Fusion Middleware suite of products with roles ranging from Techno-functional Consultant to Project/Delivery Manager.

Professional Qualifications

He holds a B-Tech in Electronics and Communications from Jaypee University of Information Technology, Solan (H.P) and is a Vice-Chancellor's Gold Medal Awardee for academic excellence.

MANAGEMENT TEAM



Pradeep Kumar Shukla
Chief Compliance Officer
Chief Vigilance Officer

Role at Shivalik

Pradeep Shukla has been working with Shivalik Bank since November 2015. He is responsible for the Compliance and Vigilance functions of the organization.

Total Experience

25 Years

Profile Summary

Pradeep Shukla is an extremely avid compliance professional and a go to person for any guidance on regulatory affairs.

He has more than 17 years' experience in Banking industry and related compliances. He has been instrumental in setting up a few co-operative banks and has been a part of the leadership team for the transition of Shivalik into a Small Finance Bank in congruence with the RBI guidelines.

He has also handled several RBI inspections, managed treasury operations and has also worked as an audit controller in his previous role at other smaller banks.

Professional Qualifications

He is a commerce graduate from Allahabad University. He is also a CA (Inter) and has completed the JAIIB and CAIIB certifications.

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