



Shriram Transport Finance Company Raises USD 475 Million Through Social Bonds From International Bond Markets

Mumbai, January 11, 2021: India's largest asset financing company Shriram Transport Finance Company (STFC) a part of the Shriram Group, has successfully raised USD 475 million Fixed Rate Senior Secured 144A /Reg S Bond (available ECB limit for FY 22) for a 3.5-year tenor at an interest rate of 4.15%. This marks the 7th successful USD bond issuance by the Company since the relaxation in the ECB guidelines. The proceeds from the STFC social bond would be used for employment generation, including through micro, small, and medium-sized enterprise (MSME) financing.

STFC's Social Bond issuance is guided by STFC's Social Finance Framework, which is aligned to the ICMA Social Bond Principles. STFC has obtained a second party opinion from Sustainalytics describing the social bond framework as "credible and impactful" and an Independent Limited Assurance Report from KPMG.

The Company engaged with investors with appetite for social bonds across the globe, namely in Hong Kong, Singapore, London and US. On the back of strong investor interest, the transaction was launched with an initial price guidance of around 4.45%. Following a strong book building, supported by high quality long only investors, the Company was able to tighten pricing by 30bps to 4.15%.

The bond received an overwhelming response from investors, with the final order book over-subscribed 2.5 times. The transaction witnessed global investor participation with 66% from Asia, 18% from EMEA and 16% from US, with 93% investment from asset managers including Insurance Company, 4% from banks and 3% from private banks and others.

Citigroup, Deutsche Bank, HSBC, J.P. Morgan and Standard Chartered Bank acted as Joint Global Coordinators and Joint Bookrunners.

Axis Bank, Barclays, BNP Paribas, Credit Suisse, DBS Bank Ltd, Emirates NBD Capital, MUFG and SMBC Nikko acted as Joint Bookrunners for this transaction.

Commenting on the successful social bond issuance, **Mr. Umesh Revankar, Vice Chairman and MD of Shriram Transport Finance Company** said: "STFC is committed to advancing and improving the communities we serve and building an equitable and inclusive future for our ecosystem. The pandemic has magnified the underlying social issues and the need to build back better, which social bonds can address. We are seeing rising demand from investors for impact investing and STFC is delighted to see such strong investor appetite for our social bonds from the global investor community. The social impact is similar to our priority sector with some strict exclusions and we are committed to financing towards socioeconomic necessities with large multiplier effects."

About Shriram Transport Finance Co Ltd.

Shriram Transport Finance Co Ltd. (Shriram Transport; BSE: SRTRANSFIN, NSE: SRTRANSFIN) a 42-year old company and part of the Shriram Group, is one of the largest asset financing NBFCs in India. The company is a leader in the organized financing of pre-owned trucks with a strategic presence in 5-10 year old truck lending. The company has Assets on Balance sheet of INR 1.21 trillion (Sept' 2021) and has a pan-India presence with a network of 1,825 branches, and employs 24,160 employees including 18,488 Business team. The company has built a strong customer base of around 2.10 million customers. The company has developed strong competencies in the areas of loan origination, valuation of pre-owned trucks and collection. It has a vertically integrated business model and offers a number of products which include: Pre-owned CV financing, New CV financing and other loans like accidental repair loans, tyre loans and working capital finance, etc

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