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BUILDING BONDS

Securitization: Listed PTC *with Simple, Transparent, and Comparable (STC) compliance*

PTC Market – Current Scenario

PTC Market

- **Largely unlisted Issuances**
- **Absence of tradability in Secondary market**
- **Primarily subscribers comprises of Institutional Investors**

Need to enhance tradability, transparency, standardized structure, to deepen PTC market.

Key Benefits: Listing & STC Compliance

Simple, Transparent and Comparable (STC)

Lower risk weights have been permitted for STC transactions even for issuers.

Leading **capital release** to Issuers and Investors

STC transactions have the simplicity of bonds, and robustness of structured finance transactions

STC transactions are easy to trade in **listed environments**

Alternate Channel of liquidity and hence reducing over dependence on banking and institutional market

Enhance Tradability - creating market for new category of investors

Potential to **deepen PTC market**

Listing



Key features for STC Compliance

- | | | |
|---|-----------------------------|---|
| 1 | Nature of Assets | <ul style="list-style-type: none">Underlying should be – Credit Claims or Receivables (CCoR), and homogeneous |
| 2 | Asset Performance History | <ul style="list-style-type: none">5 years performance history and loan level data sharing with investors |
| 3 | Payment Status | <ul style="list-style-type: none">No default, delinquent, and SICR assetsOrigination in ordinary course of businessAssessment no earlier than 45 days prior to the closing date |
| 4 | Consistency of Underwriting | <ul style="list-style-type: none">Underwriting standard should be at par with CCoR retained on the balance sheet |
| 5 | Transparency to investors | <ul style="list-style-type: none">Servicer replacement provisionTransparency and visibility over all receipts, payments at all times. |
| 6 | Granularity of the pool | <ul style="list-style-type: none">Single obligor must not exceed 1% of the total pool |

Our Recent PTC Transaction...

- **Structure of the deal (Oct'21) -**
 - Two (2) Tier par with partial turbo
 - STC Compliant
 - Compliant with new SSA regulation 2021
- **Rated A(SO)**
- **Underlying security – Unsecured MSME loans**
- **Listed on BSE with ISIN INE0JME15018**

- Oldest Listed Merchant Banker in Fixed Income and Debt Market.
- “India Bond House of the year” – By IFR Asia Awards 2018.
- Advisor/Sole Arranger to one of the India’s Largest municipal bond Issue (“Amravati Bond”) of Rs. 2,000 crore in FY19.
- Private debt placement approx. Rs. 2.5 Lakh Crore (approx. 42% market share) in FY21.
(Source: Prime Database)
- Managed 110 public debt issue approx. Rs. 1.85 Lakh Crore till date.
- Merchant banker to India’s First Green Municipal Bond of Rs. 150 crore (Ghaziabad Nagar Nigam).
- Advisor to Government for maiden Debt ETF – “Bharat Bond ETF”.

A.K. Group: India's Bond House



With this achievement, AK Capital has marked its presence along with other Asian countries' bond houses like HSBC, Credit Suisse, CIMB, ANZ & Bank of China.

Winner of BSE Awards for Bond Markets

- **Top Performer in Wholesale Debt Market Segment (Corporate Bonds)**
- **Top Performer in Primary Market Segment (Debt Public Issue Bids - Members)**
- **Top Performer in Wholesale Debt Market (Government Securities)**

Thank you