

## QUARTERLY NEWSLETTER

**OCTOBER - DECEMBER 2018**

### Message from the Managing Director & CEO

I am delighted to share with you our first edition of the quarterly newsletter. We could not publish our monthly newsletter due to technical reasons after the IPO process was initiated last year. We will bring you all the updates of CreditAccess Grameen on a quarterly basis from now onwards. I hope you find this newsletter useful; I welcome your thoughts and feedback

Our business continues to grow steadily, and our team has added 2.82 Lakh new customers, this quarter, making an overall base of 26.41 lakh customers. We also expanded our footprints to 24 new districts and now CreditAccess Grameen works in 156 districts of the country. 143 Branches have been added this financial year.

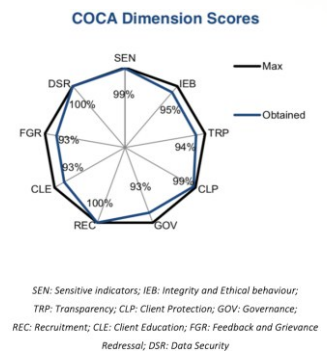
For our new business unit, "Retail Finance", this is the first full-fledged operating year, and it has performed exceedingly well on many benchmarks. Our team at Retail Finance division has been able to extend financial services to many group customers aspiring to start or expand their micro & small enterprises. This business and outcome validate our philosophy of meeting the evolving needs of our low-income household customers. We anticipate more and more women will be looking forward to becoming an MSME borrower in the days to come. While we facilitate their stride in becoming an entrepreneur, we wish them a great success.

- Mr Udaya Kumar Hebbar

### CRISIL assigns Top Industry Rating of 'M1C1' to CreditAccess Grameen

The credit rating agency CRISIL has assigned the industry's top MFI grading of 'M1C1' to CreditAccess Grameen. According to CRISIL, this signifies 'Highest-capacity' of the MFI to manage its operations in a sustainable manner and 'Excellent' performance on the code of conduct dimensions. This is a comprehensive rating, which combines Microfinance Capacity Assessment Grade and Code of Conduct Assessment Grade (COCA) for the evaluation.

According to "Rating Rationale", mentioned in the report, the MFI (CreditAccess Grameen obtains "M1" as its performance grade which signifies "Highest" capacity to manage their microfinance operations in a sustainable manner. The organization is an apex MFI with a strong market share. Its systems and processes remain strong in relation to peers. The MFI (CreditAccess Grameen) obtains "C1" as its Code of Conduct Assessment Grade which signifies 'Excellent' performance on COCA dimensions. The organization has been complying with stipulated regulatory guidelines and code of conduct (COC) principles. A board-approved fair practices code is in place.



### Financial Inclusion: Importance beyond just bank accounts

Mr. Udaya Kumar Hebbar, MD & CEO CreditAccess Grameen inaugurated the 4th International Conference on 'Economic Growth and Sustainable Development: Emerging Trends' at SDM-IMD at Mysore in November, 2018. He was the keynote speaker at the event and stressed on the fact that "Financial Inclusion doesn't mean just having a bank account." He mentioned a plethora of services that constitute the larger horizon that Financial Inclusion is in a vast country like India. Other speakers in the event spoke about the different managerial issues, the status of growth of this industry in India and the cultural impacts of the business aspects associated with microfinance industry.



### Relief work in Gaja Cyclone hit districts of Tamil Nadu

Gaja Cyclone hit Tamil Nadu on November 1, 2018. There was widespread destruction due to the natural calamity. CreditAccess Grameen carried out relief work in districts like Thanjavur, Tiruvarur and Pudukkottai by providing basic necessities to them. Blankets, ration, clothes, etc., were given to more than 1300 customers of CreditAccess Grameen, in order to bring their life back on track.

### Financial Result for Quarter & Nine months Ended December 31, 2018

**(INR Crore)**

Q3 FY 19	Q3 FY 18	Growth%	Particulars	9MFY19	9MFY18	Growth%
350.8	229.3	53.0% ↑	Total Income	947.0	621.2	52.5% ↑
213.9	111.7	91.4% ↑	Net Interest Income	567.6	303.0	87.3% ↑
153.7	98.9	55.4% ↑	Profit Before Tax	380.1	217.6	74.7% ↑
99.8	64.4	55.0% ↑	Profit After Tax	245.4	140.8	74.4% ↑
31.9%	38.2%	-6.3% ↓	Cost to Income Ratio	33.4%	40.7%	-7.2% ↓

### Growth and Expansion

Particulars	9MFY19	9MFY18	Growth%
Gross Loan Portfolio (INR Cr.)	6,085.3	4,074.6	49.3% ↑
No. of Customers (Lakhs)	26.4	19.8	33.3% ↑
No. of Branches	659	472	39.6% ↑
No. of Employees	7,798	5,639	38.3% ↑

## Social Awareness Campaign organized for the Customers

Social Awareness Campaigns are periodic workshops organized at the district level and attended by CreditAccess Grameen Customer - representatives nominated by centres. These campaigns cover issues from sanitation, financial management, health, nutrition, AIDS awareness, to insurance, savings and a host of other social issues. Navya Disha, an NGO working on sanitation and safe drinking water, is a partner in holding these campaigns.

In the third quarter of this financial year, 59 Social Awareness Campaigns were held benefitting 20,640 customers across the states of Karnataka, Madhya Pradesh, Maharashtra and Tamil Nadu. These campaigns were addressed by a host of local government officials, district health officers and leaders.



## A day at IIM-A: Tracing CreditAccess Grameen's growth with the students

CreditAccess Grameen and its growth over the years has been an important case study for the many B-schools around the country. The sessions discussing about it have been catered to by different members of the Management time and again. Our MD & CEO, Mr. Udaya Kumar was invited to IIM-Ahmedabad to address the students of Microfinance Management Course. He began by introducing the organization and its evolution cycle and eventually how it became a microfinance organisation. Following this, he went on to explain the different aspects, which included: the operations, the risk mitigation strategies, HR policies, future outlook.



## Health Awareness and Well Being Camp organized at HO

CreditAccess Grameen organized free Medical health check-up camp for HO employees on 26th & 27th December, 2018. The camp was organized in association with Medi-Assist. Employees were subjected to free physical examination which included a range of tests.. All the employees at the HO participated with great enthusiasm over the two days and turned up eagerly for the camp. The employees at the branches will be provided the same health check-up facilities over the next few months so that they can also avail these benefits.

## CreditAccess Grameen at Inclusive finance summit 2018

Mr. Udaya Kumar Hebbar, MD and CEO, CreditAccess Grameen was on the panel for the summit held on December 12, 2018 at New Delhi. The Panel discussion focused on "MFI 2.0: Is It Time to Reinvent and Push the Boundaries?" The discussion highlighted the importance of innovative methodologies in conjunction with the low income household customers' and their requirements.

## CASE STUDIES

### Rajamani's story of determination in the face of hardship

A few years ago, Mrs. Rajamani and her husband Swami Nayak were burdened with many financial difficulties. They did not have a source of income of their own and were completely dependent on their elder son's earnings in fulfilling the family requirements. She decided to join CreditAccess Grameen as a customer of group lending and availed a small sum of money to set up the provision store she dreamed of having. Her husband was supportive and encouraged her to achieve her dreams.

As time went by, Mrs. Rajamani kept availing loans as per her business requirements. She worked hard to keep her business running and to repay her loans on time. In a short span of time, they started reaping the fruits of their hard work.

However, they faced a major setback when she and her husband both fell ill at the same time and had to undergo serious surgeries. Owing to the heavy medical expenses they incurred, they could not look after the running of their business and temporarily shut down the provision store, which was very disheartening to her and her husband. After her medical recovery, she wanted to get back on her feet and wondered how to restart her life all over again.

She again approached CreditAccess Grameen officials for the loans and availed an Individual loan for the revival and expansion of their business. They are now successfully running their store. "There is nothing stopping me from achieving my dreams", says Rajamani. "From the time of not owning anything to owning everything; facing a setback to again getting back up on my feet, I owe this to CreditAccess Grameen." She and her family strongly believe that the support given to them by CreditAccess Grameen has provided them with monetary, psychological and economic standing in the society.

Leading a successful life now, Rajamani plans to venture also into dairy farming, as she owns a small plot of land. She also plans to expand her provision store into a bigger entity.



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