



CreditAccess Grameen Limited

Corporate Presentation

2020

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Investment Rationale

Consolidated Overview

CAGL: Financial & Operational Metrics

MMFL: Financial & Operational Metrics

Annexure



- One of the Leading NBFC-MFIs in India
- Joint Liability Group (JLG) based lending model focused on rural women
- Diverse product suite catering to entire customer life cycle
- Calibrated, contiguous district-based expansion strategy focusing on deep rural penetration
- Superior customer service resulting in high customer retention
- Track record of consistently delivering high growth as well as financial performance

Consolidated Financial and Operational Snapshot (June 2020)

GLP	Total Equity	PAT (Q1 FY21 / FY20)	GNPA / Provisioning	ROA / ROE	CRAR / Tier 1 (standalone)
INR 117 Bn	INR 28,432 Mn (FY20)	INR 746 Mn / INR 3,355 Mn	1.62% / 4.21%	2.2% / 10.3%	23.7% / 22.4%




4.0 Mn
Active Borrowers



1,388 **248**
Branches Districts



14,213 **9,471**
Employees Loan Officers



87%
CAGL Borrower
Retention Rate

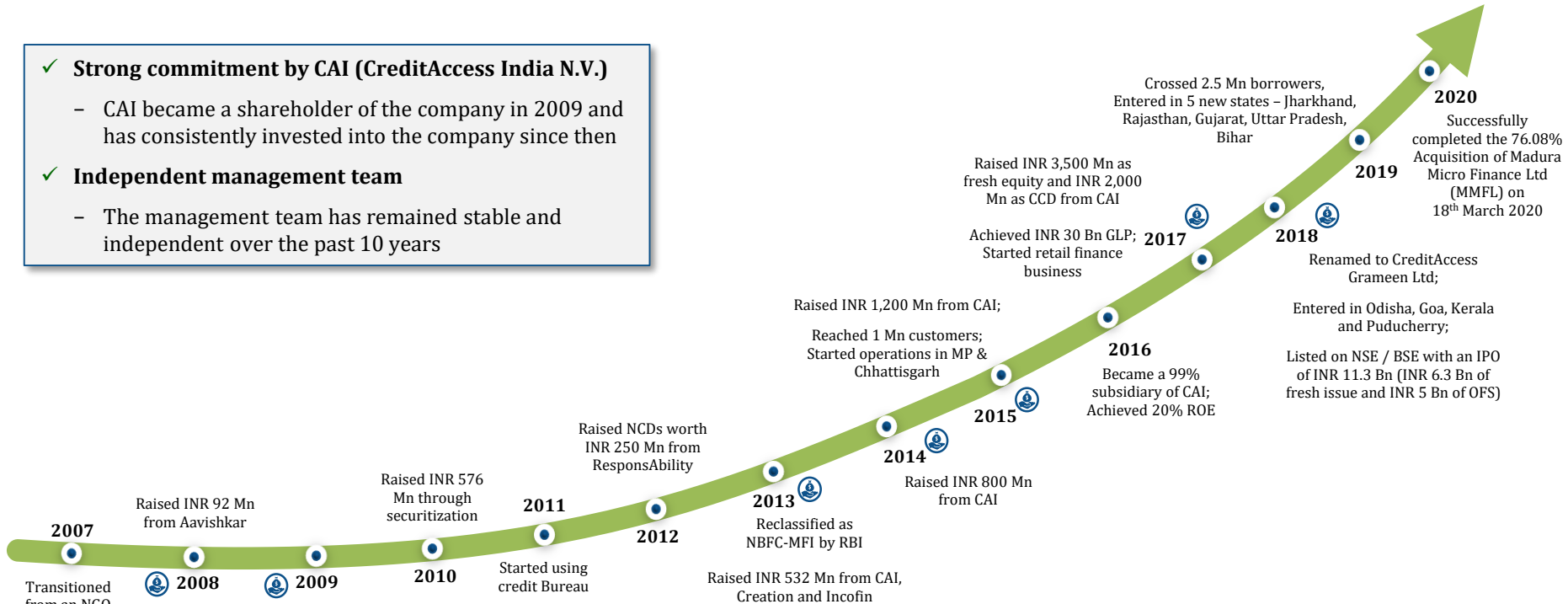


Rs 32.8K
CAGL Avg. O/S Per
MFI Borrower

Uniquely Positioned to Capitalise on the Highly Underpenetrated Credit in Rural Areas

Key Milestones

- ✓ **Strong commitment by CAI (CreditAccess India N.V.)**
 - CAI became a shareholder of the company in 2009 and has consistently invested into the company since then
- ✓ **Independent management team**
 - The management team has remained stable and independent over the past 10 years



Consolidated	FY18	FY19	FY20	Q1 FY21
Branches (#)	516	670	1,393	1,388
No. of Borrowers ('000)	1,851	2,470	4,055	4,011
GLP (INR Bn)	49.7	71.6	120.0	117.2

Experienced Management Team, Eminent Board of Directors



Udaya Kumar Hebbar
Managing Director & CEO

- Joined CAGL in 2010
- Prior to joining CAGL, he has worked with Barclays Bank, Corporation bank and ICICI Bank



Diwakar B.R.
Director - Finance & CFO

- Joined CAGL in 2011
- Prior to joining CAGL, he has worked with SIDBI, ICICI Bank, ACCION International, LIC and IFMR Capital




Ganesh Narayanan
Chief Business Officer

- Joined CAGL in 2020
- Prior to joining CAGL, he has worked with Yes Bank, Fullerton and ICICI Bank



Gururaj Kumar KS Rao
Chief Audit Officer

- Joined CAGL in 2009
- Prior to joining CAGL, he has worked with Yusuf Bin Ahmed Kanoo W.L.L and Mallya Hospital



Firoz Anam
Chief Risk Officer

- Joined CAGL in 2020
- Prior to joining CAGL, he has worked with IDFC Bank, JP Morgan Chase, HDFC Bank, Citi Bank, ICICI bank




Kamath S B
Deputy CFO

- Joined CAGL in 2020
- Prior to joining CAGL, he has worked with various Tata Group companies



Gopal Reddy
Business Head - Group Lending

- Joined CAGL in 2007
- 15+ years experience in MFI




Arun Kumar B
Head - IT

- Joined CAGL in 2010
- Prior to joining CAGL, he has worked with Infosys and Barclays Bank



Sundar Arumugam
Head - Strategy and Innovation

- Joined CAGL in 2019
- Prior to joining CAGL, he has worked with CAI, Equifax, Infosys




Srivatsa HN
Business Head - Group Lending

- Joined CAGL in 2007
- 15+ years of experience in MFI



Nagananda Kumar K N
Head - Centralized Operations

- Joined CAGL in 2016
- Prior to joining CAGL, he has worked with Sysfore Technologies



Vishwanath Bhat
Head - Retail Finance

- Joined CAGL in 2016
- Prior to joining CAGL, he has worked with Shirram Group, CIFC, ICICI Bank, Copal Amba, Axis Bank




M. J. Mahadev Prakash
Head - Compliance, Legal & Company Secretary

- Joined CAGL in 2019
- Prior to joining CAGL, he has worked with EY, JSA, Jana SFB, RMZ Corp, BPL, Bal Pharma



Thrishuli B
Head - Human Resource

- Joined CAGL in 2017
- Prior to joining CAGL, he has worked with DTDC Couriers, Wockardt Hospitals, Adecco and Janalakshmi Financial Services



Nilesh Dalvi
Head - Investor Relations

- Joined CAGL in 2019
- Prior to joining CAGL, he was CEO with Dickenson IR
- Earlier worked with Bank of America and TCS



Haridarshini A
Head - Operational Excellence

- Joined CAGL in 2007
- At CAGL, Worked in MIS, Planning & Monitoring, Finance & account, Human resource

Supported by an eminent Board of Directors



Paolo Brichetti
Chairman and Nominee Director¹
Founder and CEO of CAA



Udaya Kumar Hebbar
Managing Director & CEO



Diwakar BR
Director - Finance and CFO



Sumit Kumar
Nominee Director¹
Managing Director Olympus




Massimo Vita
Nominee Director¹
Chief Risk Officer of CAA



Manoj Kumar
Additional and Independent Director
Entrepreneur, Investor, Advisor to Tata Trusts



R. Prabha
Independent Director
Former GM of Canara Bank. On Board of ESAF SFB



George Joseph
Independent Director
Former CMD Syndicate Bank, GM of Canara Bank; On Boards of Wonderla, Muthoot Fin.



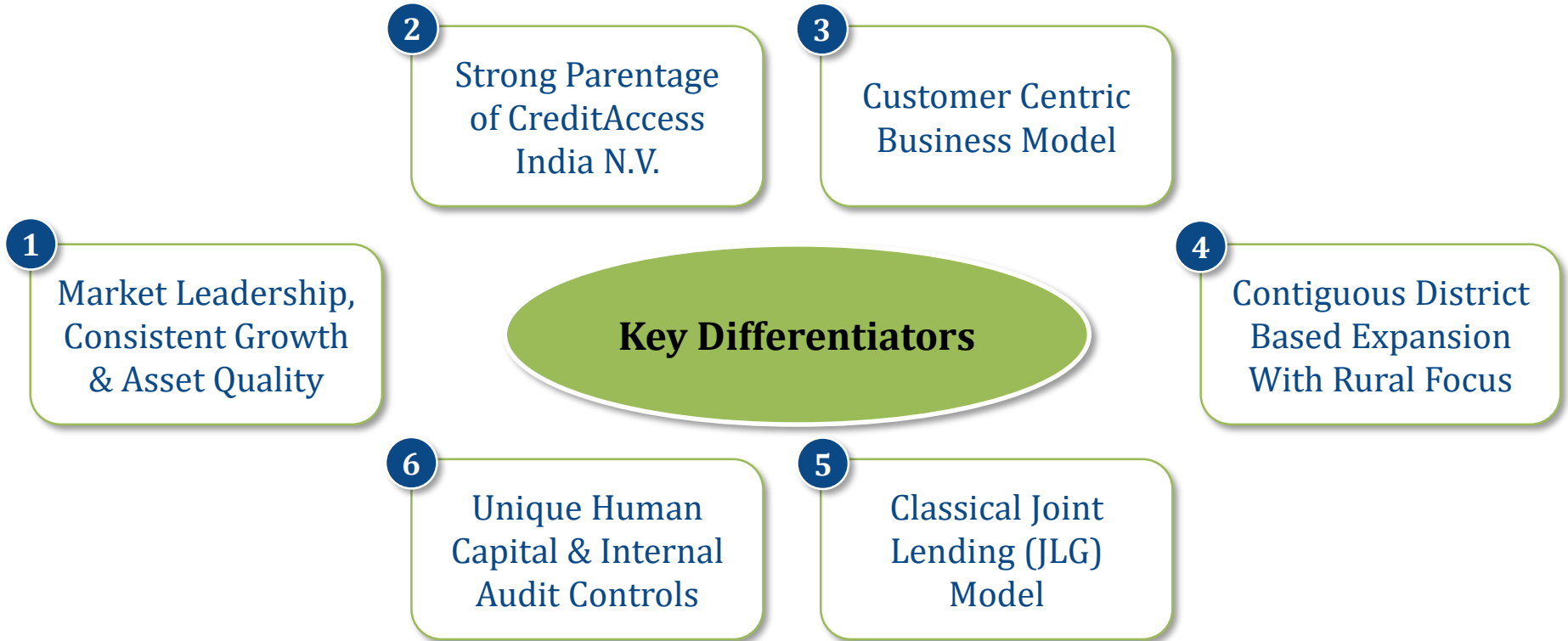
Sucharita Mukherjee
Independent Director
Former CEO of IFMR Holdings and IFMR Capital, Worked in Deutsche Bank, Morgan Stanley



Ms. Jessie Paul
Independent Director
Founder, Paul Writer. Ex. CMO of Wipro, Marketing head iGATE, Global Brand Mgr., Infosys

Strong strategic and financial support by CreditAccess India

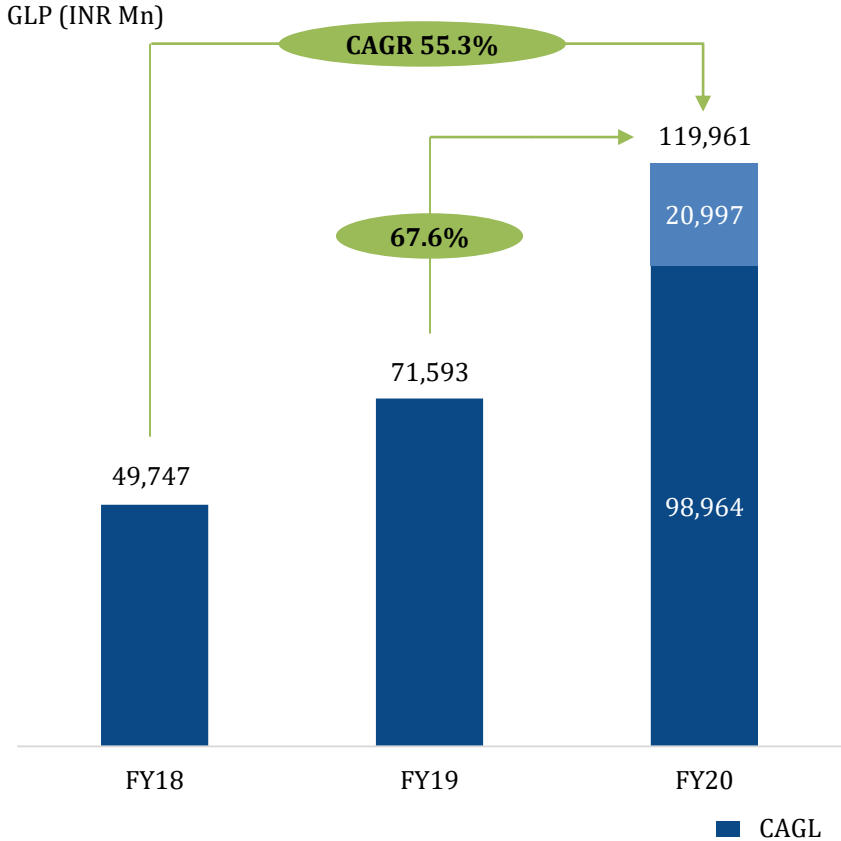
Note: SIDBI - Small Industries Development Bank of India, LIC - Life Insurance Corporation of India, MFI - MicroFinance
1. Nominee of CAI (CreditAccess India NV)



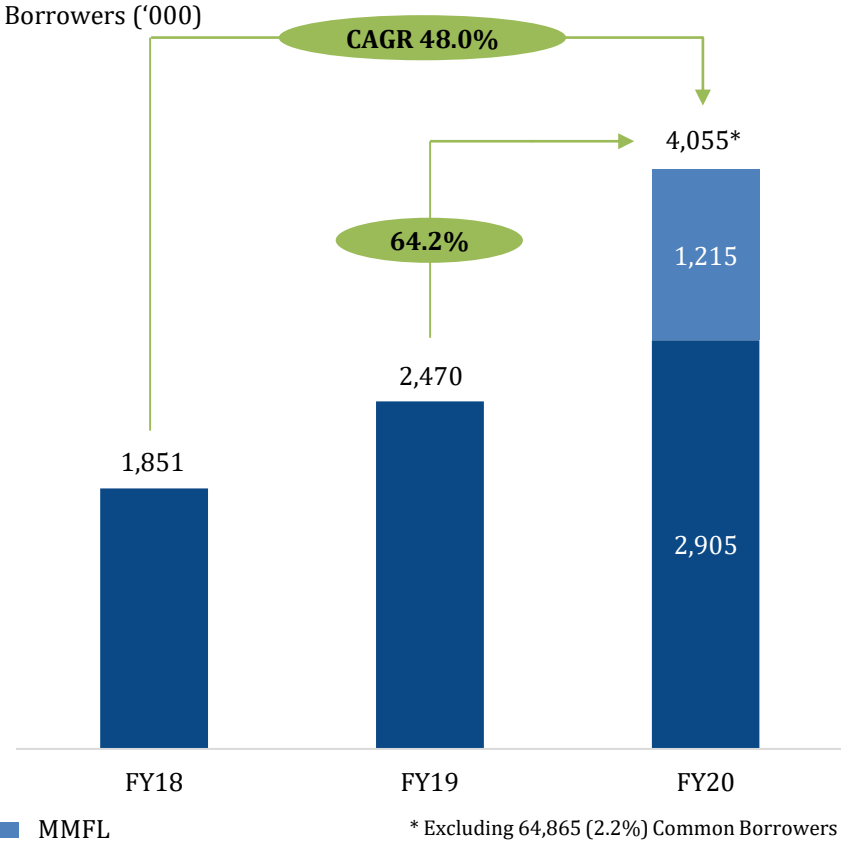
Uniquely positioned to capitalize on the highly underpenetrated credit in rural areas with one of the lowest lending rate & one of the best operating cost efficiency

Leading MFI with Expanded Scale & Footprint (1/2)

Strengthened Leadership Position with ~ INR 120 Bn Portfolio

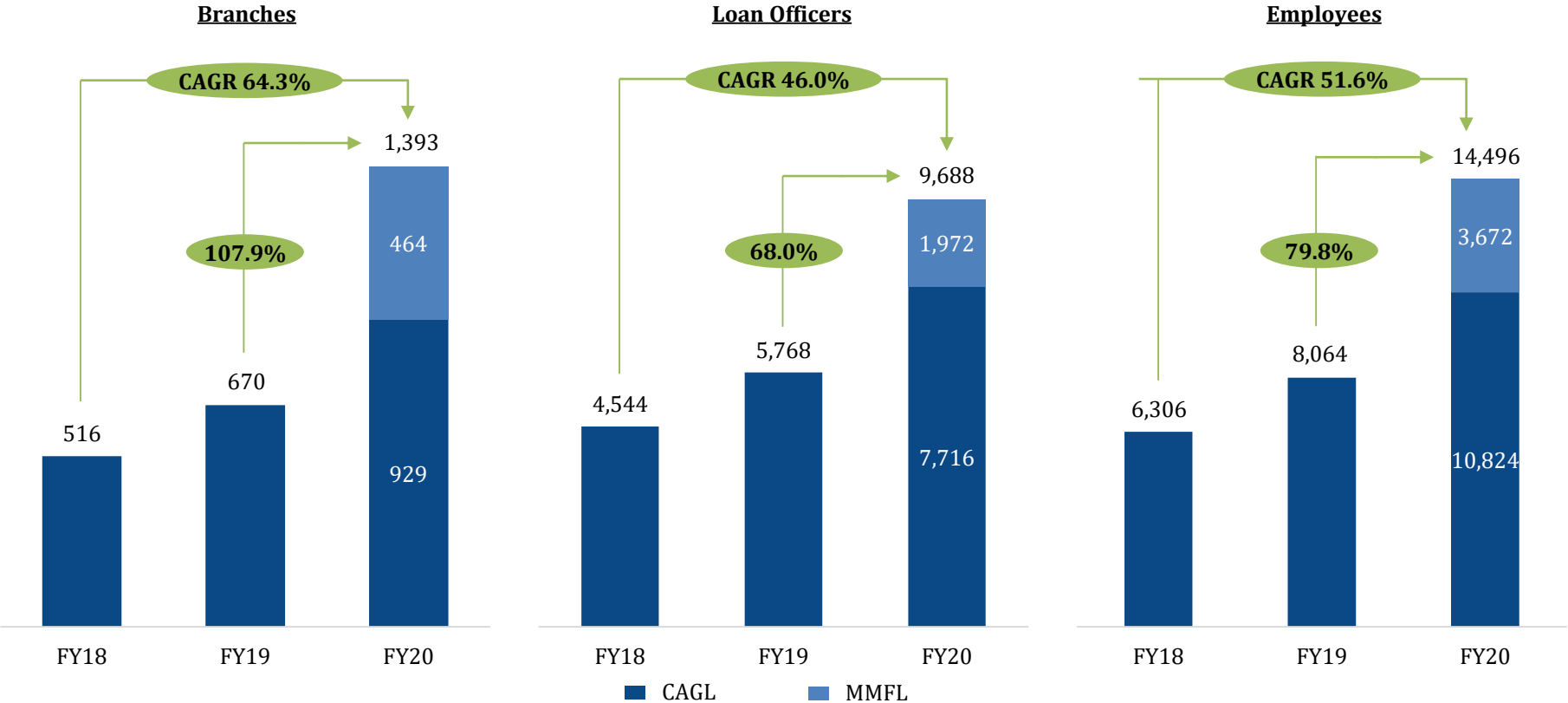


Augmented Borrower Base of over 4.0 Mn



Leading MFI with Expanded Scale & Footprint (2/2)

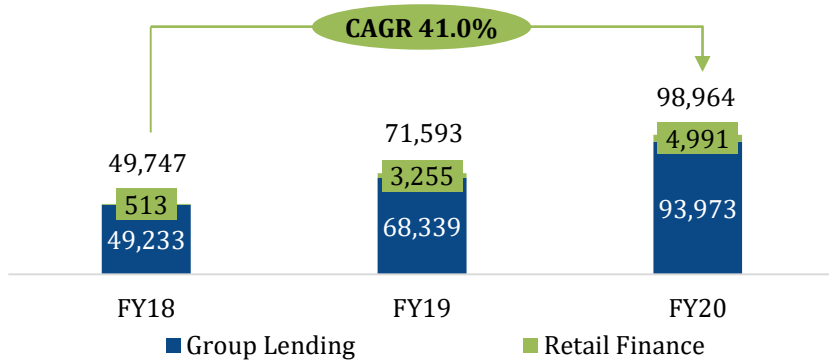
Expanded Branch Network & Human Infrastructure to Drive Future Growth



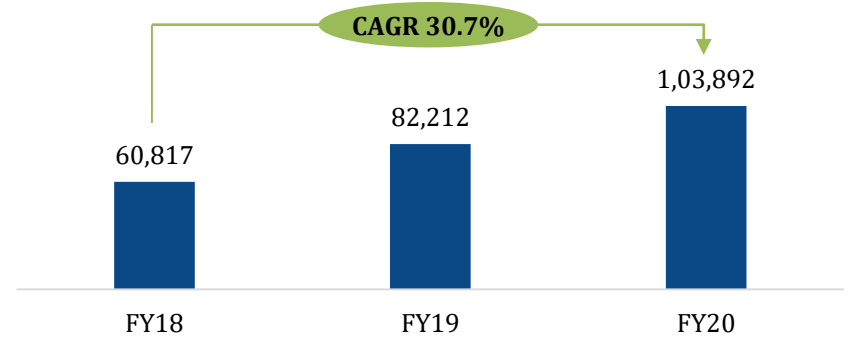
Consistent Organic (Standalone) Growth Trend (1/3)

Note: Refer Annexure for definition of key ratios

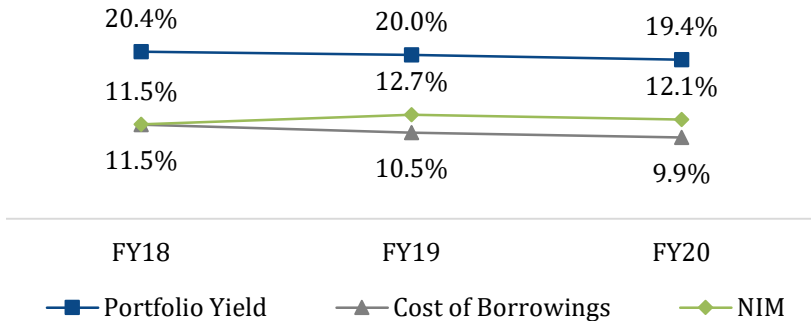
Gross Loan Portfolio (GLP) (INR Mn)



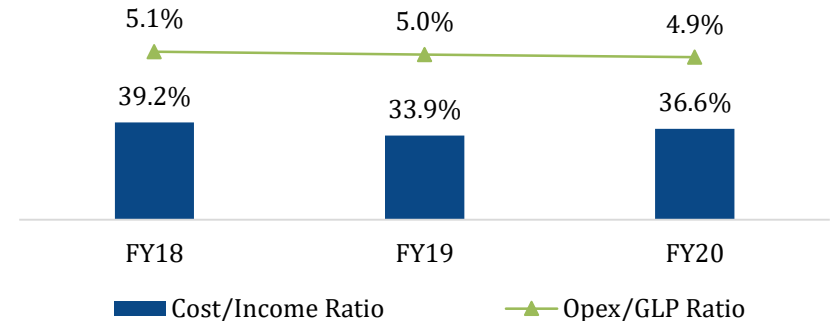
Disbursements (INR Mn)



Margin Analysis (%)



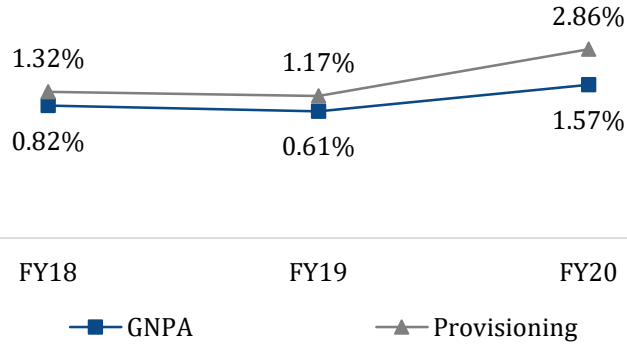
Operating Efficiency (%)



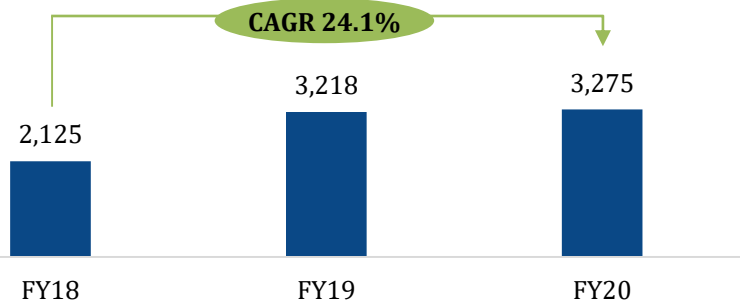
Consistent Organic (Standalone) Growth Trend (2/3)

Note: Refer Annexure for definition of key ratios

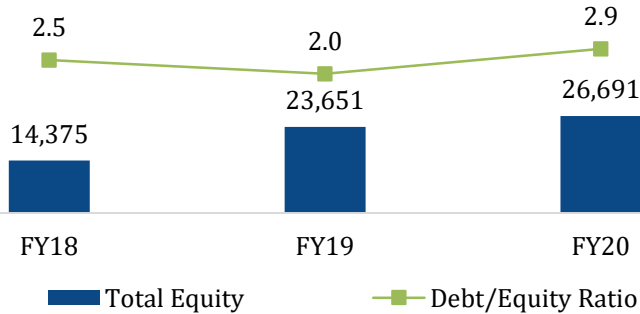
Asset Quality (%)



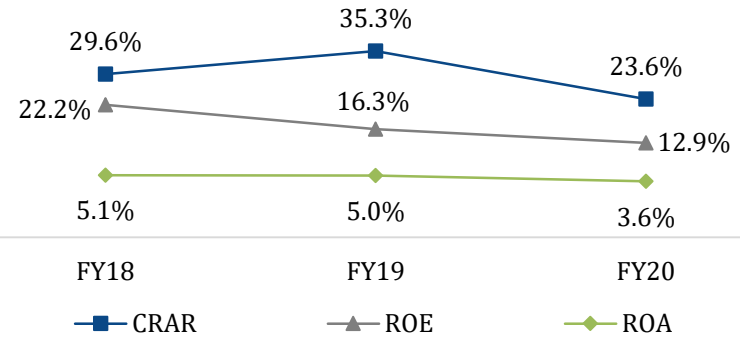
PAT (INR Mn)



Total Equity (INR Mn) & Debt/Equity Ratio

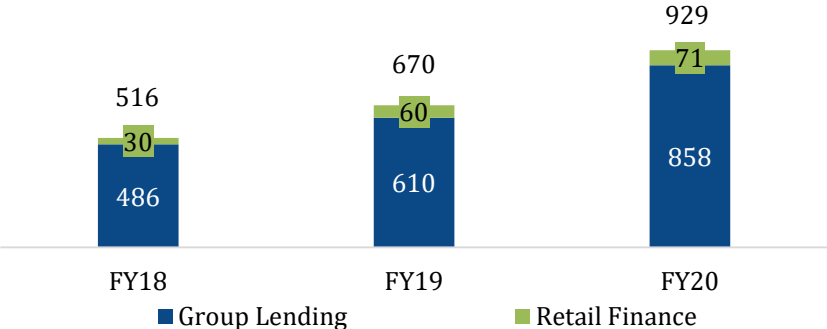


Return Ratios & Capital Adequacy (%)

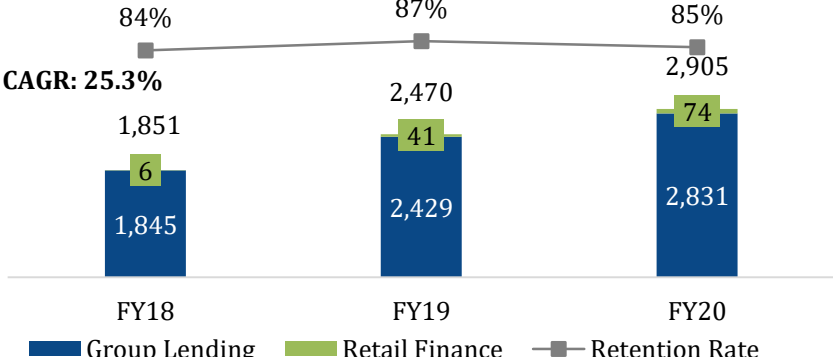


Consistent Organic (Standalone) Growth Trend (3/3)

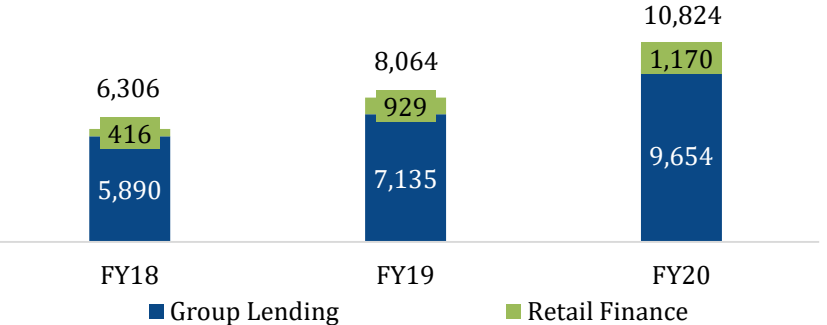
Branches



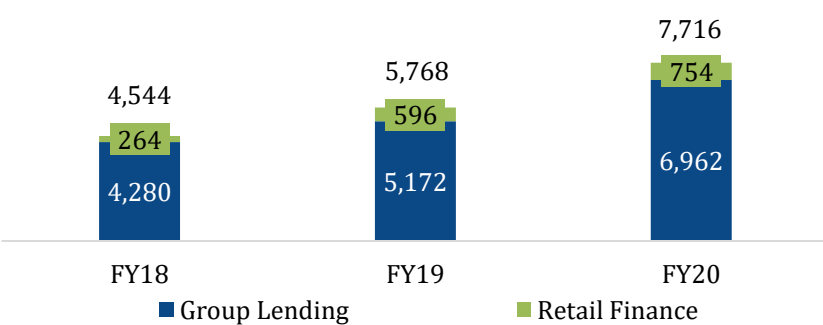
Borrowers ('000) & Retention Rate (%)



Employees



Loan Officers





Committed to Micro Finance Business

- CreditAccess India N.V. (CAI) specialises in Micro and Small Enterprises financing
- Widely held shareholding base: 257 shareholders
 - Olympus ACF Pte Ltd. 15.1%, Asian Development Bank 8.6%, individuals/HNIs/Family Offices 76.3%
- Headquartered in Amsterdam, The Netherlands

Strong Financial Support

- Invested through multiple rounds of capital funding along with secondary purchase during 2009 to 2017
- Displayed trust in our business model post demonetisation by infusing INR 5,500 Mn in FY17
- Provides access to global fundraising opportunities leveraging CAI's network and relationships
- Holds 79.91% in CAGL, committed to hold up to the regulatory requirement in future

Customer Centric Business Model (1/2)

✓ Partnering in growth with diverse product suite catering to entire customer life cycle

✓ One of the lowest lending rate, ~19.60% starting Q2 FY21



✓ Customer flexibility - Even in a group, borrowers can have different borrowing limit, ticket size, disbursement & repayment schedule, no pre-payment penalty

✓ Customer can have multiple loans within the credit line/borrowing limit to meet specific requirements

✓ High customer engagement through predominantly weekly Kendra meetings

✓ Strong focus on client protection in collection, awareness building and grievance resolution

High customer satisfaction
87% Borrower retention rate
(Q1 FY21)

Portfolio stability with
lower loan run-off

Significant growth
from existing customer

Lower customer
acquisition cost

Customer Centric Business Model (2/2)

Loan Type	Customer Centric Products	Purpose	Ticket Size (INR)	Tenure (months)
Group	Income Generation Loan(IGL)	Business Investments and Income Enhancement activities	5,000 - 80,000	12-24
Group	Home Improvement Loans	Water Connections, Sanitation and Home Improvement & Extensions	5,000 - 50,000	12-48
Group	Family Welfare Loans	Festival, Medical, Education and Livelihood Improvement	1,000 - 15,000	3-12
Group	Special Situation Loans	Emergencies	2,000	6
Group	Emergency Loans	Emergencies	1,000	3
Individual	Retail Finance Loans	Purchase of inventory, machine, assets or for making capital investment in business or business expansion	Up to 5,00,000	6-60

Cashless shift based on customer's preference

- Small loans: Cash/Cashless
Larger Loans: Cashless
- 100% of branches enabled for cashless disbursements
- Currently, 90%+ disbursements are on cashless mode
- 100% cashless in retail finance business

- ✓ Focus on achieving deep penetration within a particular district within three years of commencement of operations
- ✓ Gradual expansion into the next (typically adjoining) district
- ✓ Systematic methodology in selection of new districts based on availability of infrastructure, competition, historical performance trend, socio-economic risk, growth potential
- ✓ Contiguous expansion helps replicating unique quality, low operation costs and low expansion risks
- ✓ Familiarity of the loan officers with demographics of nearby districts enables effective customer evaluation and better servicing
- ✓ Lower exposure to a particular district (97% of districts \leq 2% of GLP, No single district has > 5% of total GLP)

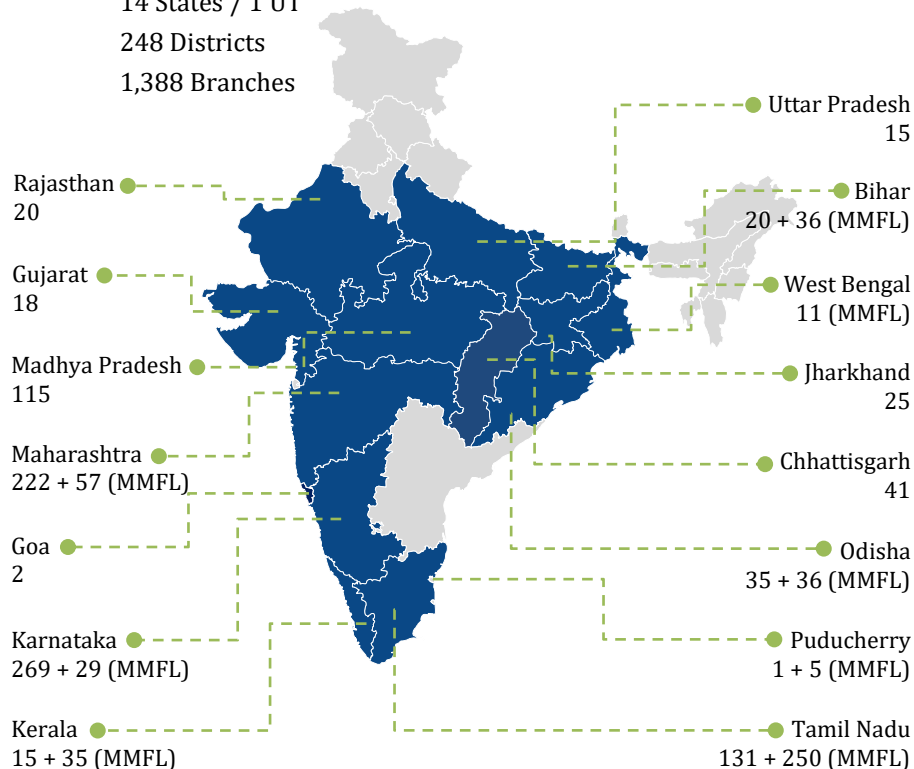
...Leading To Geographic Diversification

Our Presence

14 States / 1 UT

248 Districts

1,388 Branches



Branch Network	Q1 FY21 CAGL + MMFL	Q1 FY21 % Share
Karnataka	298	21.5%
Maharashtra	279	20.1%
Tamil Nadu	381	27.4%
Madhya Pradesh	115	8.3%
Other States & UTs	315	22.7%
Total	1,388	100.0%

Borrowers ('000)	Q1 FY21 CAGL + MMFL	Q1 FY21 % Share
Karnataka	1,248	31.1%
Maharashtra	895	22.3%
Tamil Nadu	1,099	27.4%
Madhya Pradesh	320	8.0%
Other States & UTs	450	11.2%
Total	4,011*	100.0%

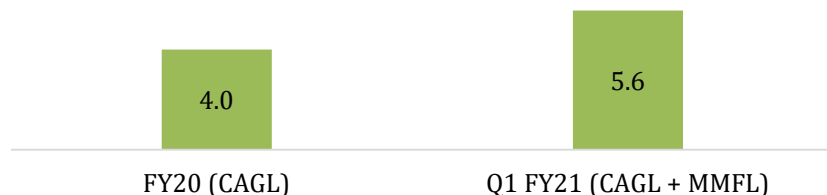
GLP (INR Bn)	Q1 FY21 CAGL + MMFL	Q1 FY21 % Share
Karnataka	46.9	40.0%
Maharashtra	28.4	24.2%
Tamil Nadu	23.3	19.9%
Madhya Pradesh	8.9	7.6%
Other States & UTs	9.7	8.3%
Total	117.2	100.0%

* Excluding 63,604 (2.2%) Common Borrowers

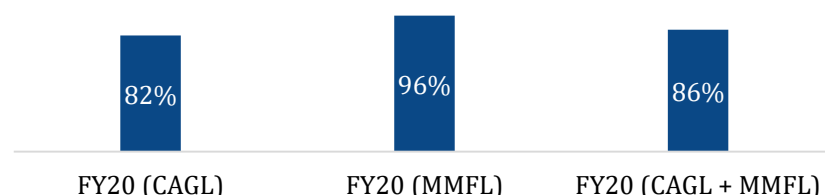
...And Deeper Presence with Rural Focus



Higher District Penetration: Branches Per District



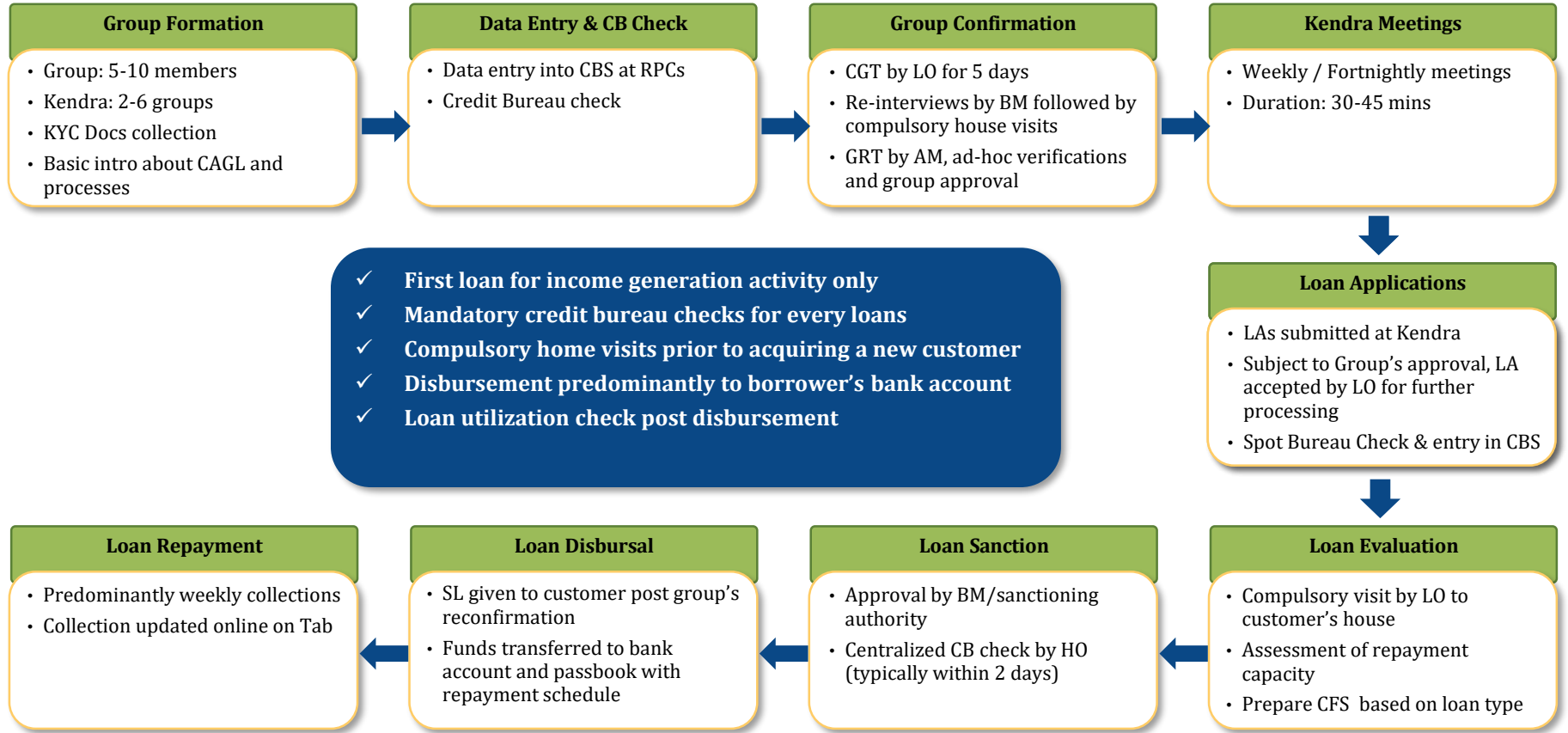
Higher Proportion of Rural Borrowers



GLP Exposure of Districts (% of GLP)	Q1 FY21 (CAGL + MMFL)	
	No. of Districts	% of Total Districts
< 0.5%	187	75%
0.5% - 1%	26	11%
1% - 2%	28	11%
2% - 4%	7	3%
> 4%	0	0%
Total	248	100%

District in terms of GLP	Q1 FY21 (CAGL + MMFL)	
	% of Total GLP	
Top 1	4%	
Top 3	10%	
Top 5	15%	
Top 10	24%	
Other	76%	

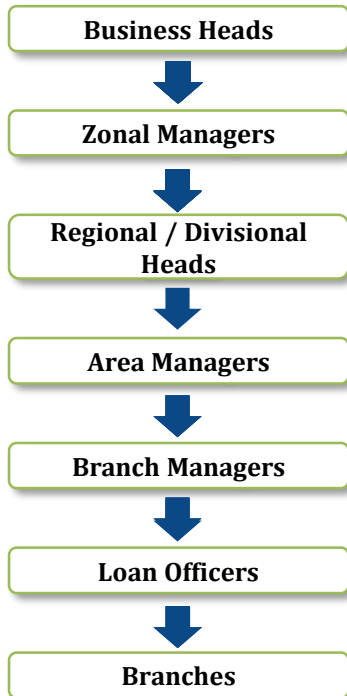
Classical JLG Lending Model



Note: CB: Credit Bureau, CBS: Core Banking System, RPC: Regional Processing Center, CGT: Compulsory Group Training, LO: Loan Officer, BM: Branch Manager, CFS: Cash Flow Statement, AM: Area Manager, LA: Loan Application, HO: Head Office, SL: Sanction Letter, KM: Kendra Meeting

Unique Human Capital

Well-established Operational Structure



Multiple layers of checks during customer selection, loan sanctioning, loan disbursement, loan utilization check

Sound Understanding of Rural Market

- ~90% of employees are hired fresh from rural communities
- ~50%-60% of employees are from families of active customers

Highly Efficient Workforce

- In-house 4-weeks pre-hiring training program
- Compulsory rotation of loan officers annually and branch managers bi-annually for varied job experience and work satisfaction
- Employee incentives delinked from disbursement or collections, and linked to number of customers serviced and quality of service
- High employee retention rate

Internal Audit & Controls

- Internal audit frequency – 6 times in a year at branches, 4 times at regional offices, 4 times at head office
- Internal audit teams are responsible for HO, branch and field audits
- Internal audit of back-end process at head office
- The Audit Committee of our Board is updated every quarter on significant internal audit observations, compliances, risk management practices and control systems

Investment Rationale

Consolidated Overview

CAGL: Financial & Operational Metrics

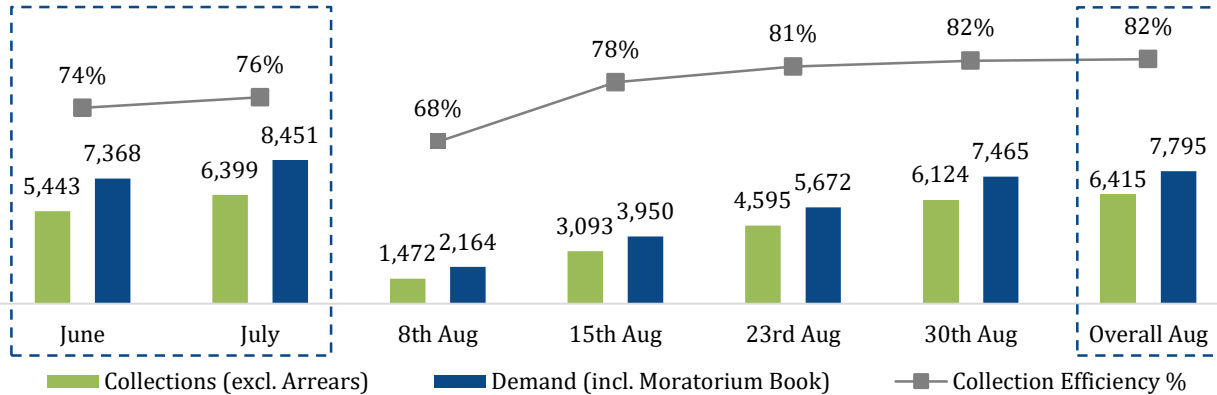
MMFL: Financial & Operational Metrics

Annexure



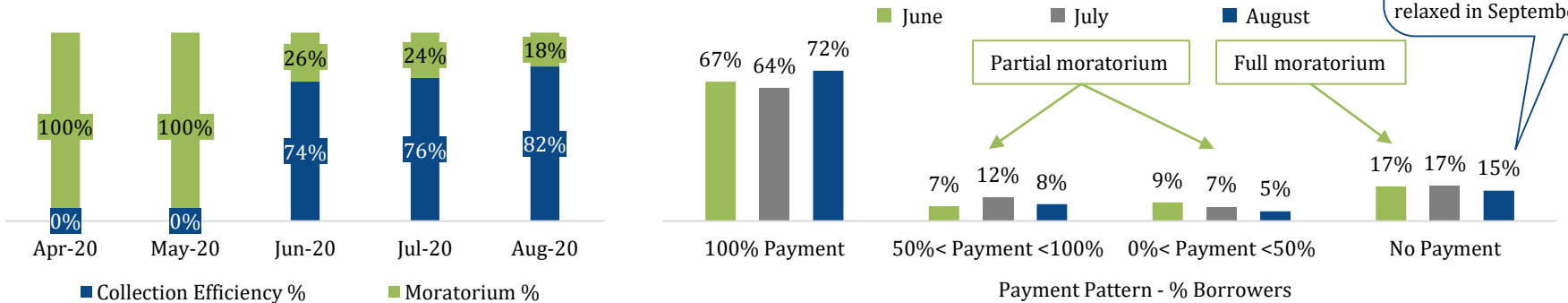
Encouraging Collections Trend (CAGL) – August 2020

Improvement in Cumulative Collections (INR Mn)



CE %	June	July	August
Karnataka	78%	78%	86%
Maharashtra	62%	65%	72%
Tamil Nadu	75%	79%	86%
Madhya Pradesh	81%	88%	88%
Others	86%	87%	87%
Total	74%	76%	82%

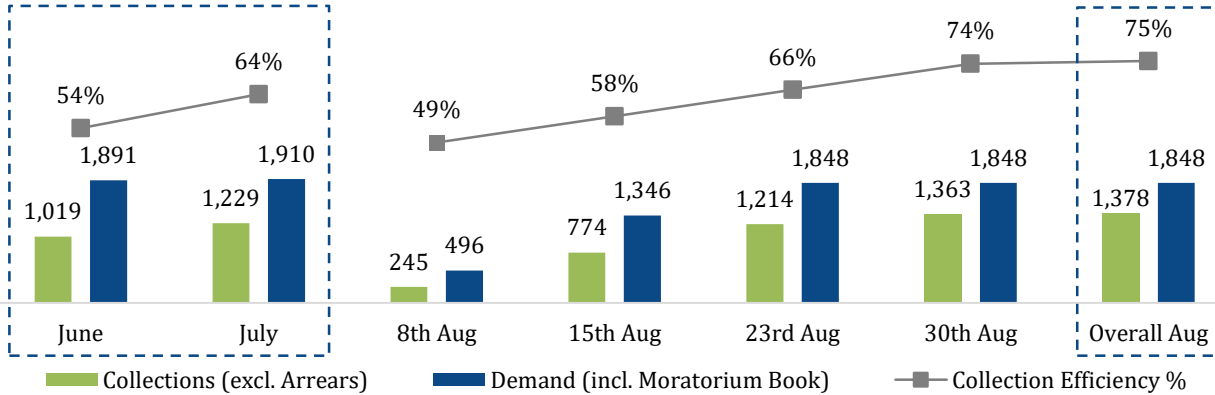
Reduction in Moratorium Book



11% excl. Maharashtra.
This should reduce going forward as lockdown / restrictions in Maharashtra have been significantly relaxed in September

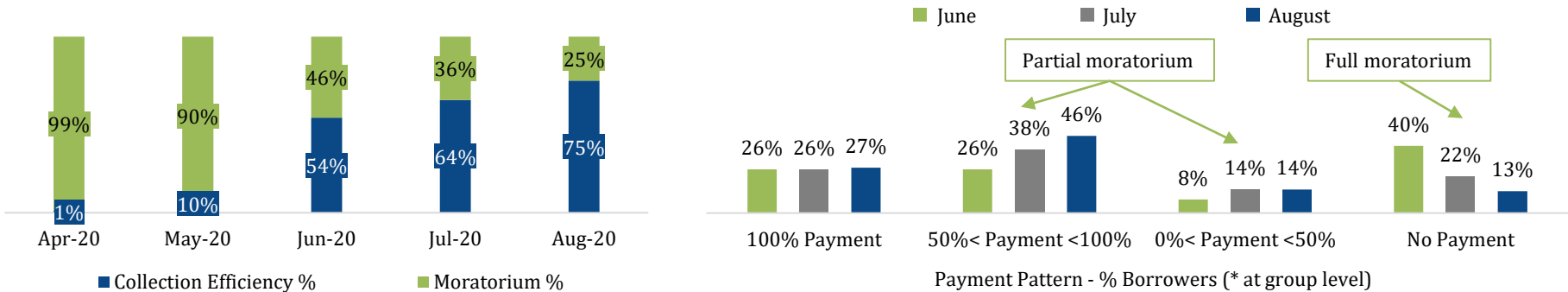
Encouraging Collections Trend (MMFL) – August 2020

Improvement in Cumulative Collections (INR Mn)



CE %	June	July	August
Tamil Nadu	54%	66%	77%
Maharashtra	45%	56%	72%
Odisha	43%	43%	63%
Bihar	66%	75%	71%
Others	60%	68%	74%
Total	54%	64%	75%

Reduction in Moratorium Book



Q1 FY21: Consolidated Performance Highlights

GLP
INR 117.2 Bn

Active Borrowers
4.0 Mn

Branches 1,388
Employees 14,213

PPOP
INR 2,556 Mn

PAT
INR 746 Mn

ROA
2.2%
ROE
10.3%

D/E Ratio
3.3x

GNPA 1.62%
Provisioning 4.21%

**COVID-19 Additional
Provisioning Buffer**
2.17% (INR 2,456 Mn)

Consolidated P&L Statement

Profit & Loss Statement (INR Mn)	Q1 FY21	FY20	FY19
Interest income	5,974	16,334	12,183
- Interest on Loans	5,886	16,040	11,561
- Income from Securitisation	64	231	552
- Interest on Deposits with Banks and FIs	25	63	70
Income from Direct Assignment	185	413	460
Finance Cost on Borrowings	2310	5,709	3,987
Cost on Financial Liability towards Securitisation	16	91	181
Net Interest Income	3,832	10,947	8,476
Non-interest Income & Other Income	39	307	190
Total Net Income	3,872	11,255	8,666
Employee Expenses	972	2,620	1,861
Other Expenses	237	1,290	1,001
Depreciation, Amortisation & Impairment	107	204	78
Pre-Provision Operating Profit	2,556	6,989	5,726
Impairment of Financial Instruments	26	1,544	749
Additional Provisions – COVID-19 Impact in FY21	1,525	829	0
Profit Before Tax	1,005	4,616	4,977
Total Tax Expense	259	1,261	1,760
Profit After Tax before Minority Interest	746	3,355	3,218
Minority Interest	26	19	0
Profit After Tax After Minority Interest	720	3,336	3,218

Investment Rationale

Consolidated Overview

CAGL: Financial & Operational Metrics

MMFL: Financial & Operational Metrics

Annexure



Q1 FY21: CAGL Standalone Performance Highlights

GLP
INR 96.8 Bn

NIM
12.6%

Weighted Avg. COB
9.4%

Cost/Income Ratio
31.0%

Opex/GLP Ratio
4.1%

PPOP
INR 2,245 Mn

PAT
INR 636 Mn

ROA
2.2%

ROE
9.4%

Capital Adequacy Ratio
23.7%

Tier 1 Ratio
22.4%

D/E Ratio
2.9x

GNPA 1.63% (60+ dpd)
Provisioning 4.42%

**COVID-19 Additional
Provisioning Buffer**
2.39% (INR 2,235 Mn)

Branches 929
Employees 10,576

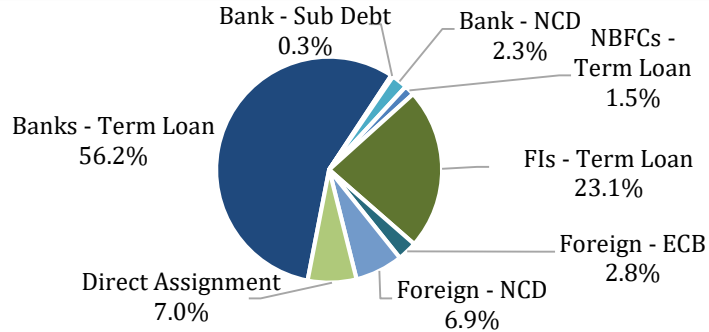
Active Borrowers
2.9 Mn

CAGL Standalone P&L Statement

Profit & Loss Statement (INR Mn)	Q1 FY21	FY20	FY19	FY18
Interest income	4,891	16,172	12,183	8,597
- Interest on Loans	4,878	15,888	11,561	8,531
- Income from Securitisation	0	223	552	0
- Interest on Deposits with Banks and FIs	13	61	70	65
Income from Direct Assignment	185	413	460	0
Finance Cost on Borrowings	1,851	5,639	3,987	3,537
Cost on Financial Liability towards Securitisation	0	88	181	0
Net Interest Income	3,225	10,859	8,476	5,060
Non-interest Income & Other Income	31	258	190	118
Total Net Income	3,256	11,117	8,666	5,179
Employee Expenses	767	2,596	1,861	1,304
Other Expenses	189	1,273	1,001	675
Depreciation, Amortisation & Impairment	55	196	78	52
Pre-Provision Operating Profit	2,245	6,899	5,726	3,148
Impairment of Financial Instruments	-16	1,561	749	-134
Additional Provisions – COVID-19 Impact in FY21	1,406	829	0	0
Profit Before Tax	855	4,509	4,977	3,282
Total Tax Expense	219	1,234	1,760	1,158
Profit After Tax	636	3,275	3,218	2,125
Key Ratios ¹	Q1 FY21	FY20	FY19	FY18
Portfolio Yield	20.5%	19.4%	20.0%	20.4%
Cost of Borrowings	9.4%	9.9%	10.4%	11.5%
NIM	12.6%	12.1%	12.7%	11.5%
Cost/Income Ratio	31.0%	36.6%	33.9%	39.2%
Opex/GLP Ratio	4.1%	4.9%	5.0%	5.1%

1) Refer Annexure for definition of key ratios

Liability Mix - Institution / Instrument Wise (%)

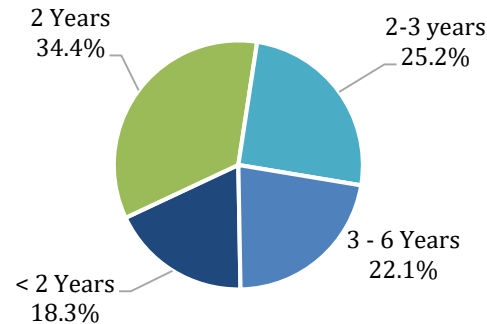


Note: O/S Direct Assignment (Sold Portion) - INR 5,929 Mn (incl. INR 2,000 Mn DA executed in Jun-20)

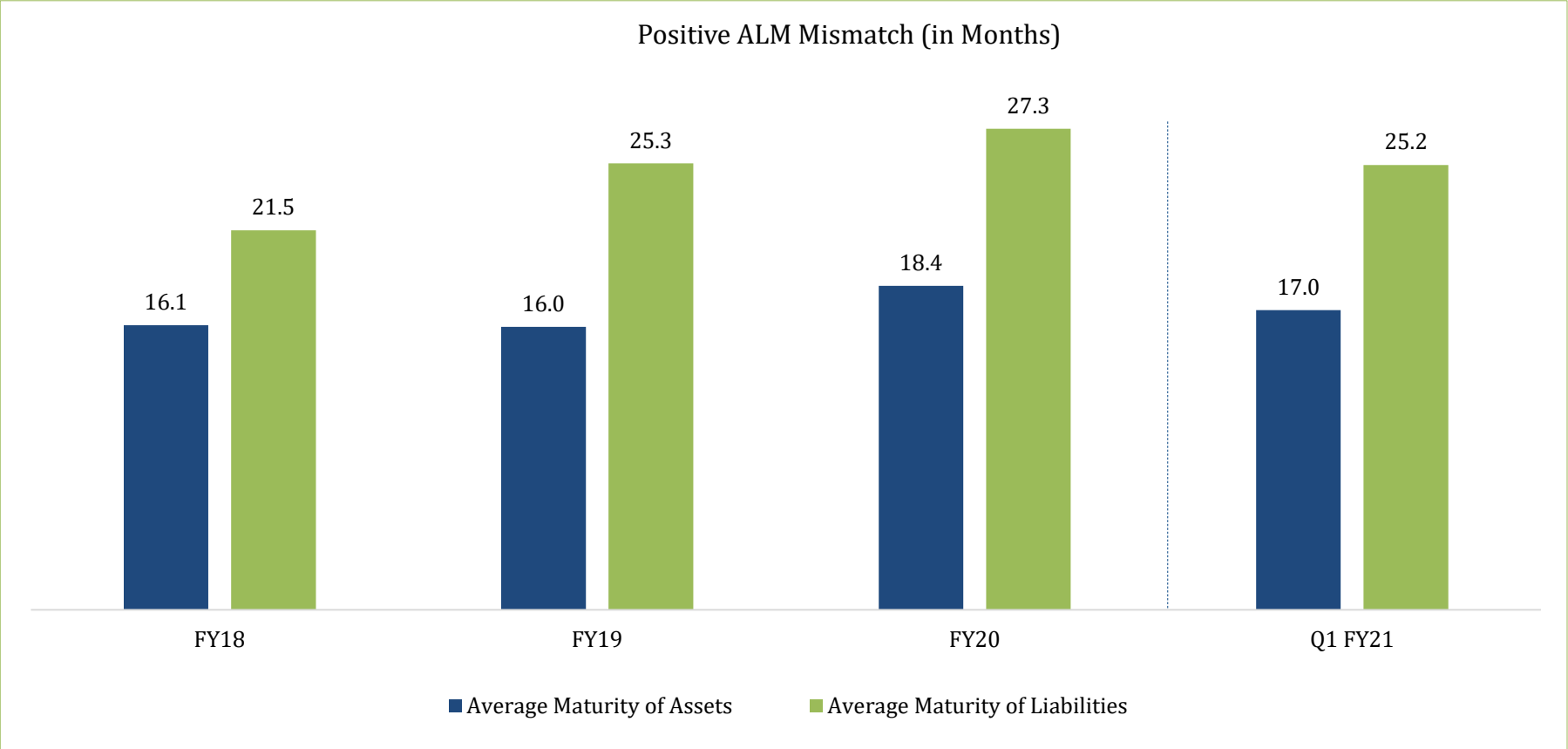
Focus on dynamic liability management

- Focus on long-term funding with a mix of domestic & foreign sources
- Target to meet funding requirement through foreign/long term sources over medium term
- Diverse lenders' base:
 - 26 Commercial Banks, 3 Financial Institutions, 7 Foreign Institutional Investors, 3 NBFCs
- Strong parentage of CreditAccess Asia providing access to diverse global lender base

Liability Mix - Tenure Wise (%)



Q1 FY21: Positive ALM Continues To Contribute Growth



Q1 FY21: Stable Credit Ratings

Rating Instrument	Rating Agency	Q1 FY21 Rating/Grading
Bank facilities	CRISIL	A+ (Stable)
	ICRA	A+ (Stable)
	Ind-Ra	A+ (RWN)
Non-convertible debentures	CRISIL	A+ (Stable)
	ICRA	A+ (Stable)
	Ind-Ra	A+ (RWN)
Subordinated debt	ICRA	A+ (Stable)
Commercial Paper	ICRA	A1+
Comprehensive Microfinance Grading(Institutional Grading/Code of Conduct Assessment (COCA))	CRISIL/SMERA	M1C1
Social Rating	M-CRIL	∑α
Social Bond Framework	Sustainalytics	Certified

1) As per SIDBI guidelines, comprehensive Microfinance grading should be done by the same organization (CRISIL is our rating agency)

M1 - Microfinance Institutional Grading – Reflects CRISIL’s opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner

C1 - Social Rating – Expert opinion in the social performance of a financial institution , and likelihood that it meets social goals in line with accepted social values

2) CAGL has developed the Social Bond Framework under which it intends to issue social bonds to global investors. CAGL had engaged Sustainalytics to review the Social Bond Framework, dated November 2019 and provide a second-party opinion on the Framework’s social credentials and its alignment with the Social Bond Principles 2018 (SBP). Sustainalytics is of the opinion that the CAGL’s Social Bond Framework is credible and impactful and aligns with the four core components of the SBP

Investment Rationale

Consolidated Overview

CAGL: Financial & Operational Metrics

MMFL: Financial & Operational Metrics

Annexure



Q1 FY21: MMFL Standalone Performance Highlights

GLP
INR 20.4 Bn

NIM
11.5%
Weighted Avg. COB
11.2%

Cost/Income Ratio
43.0%
Opex/GLP Ratio
5.1%

PPOP
INR 350 Mn

PAT
INR 140 Mn

ROA
2.5%
ROE
13.7%

Capital Adequacy Ratio
23.8%
Tier 1 Ratio
20.0%

D/E Ratio
3.9x

GNPA 1.58% (90+ dpd)
Provisioning 3.18%

COVID-19 Additional
Provisioning Buffer
1.12% (INR 222 Mn)

Branches 459
Employees 3,637

Active Borrowers
1.2 Mn

Profit & Loss Statement (INR Mn)	Q1 FY21
Interest income	1,081
- Interest on Loans	1,015
- Income from Securitisation	54
- Interest on Deposits with Banks and FIs	12
Income from Direct Assignment	0
Finance Cost on Borrowings	457
Cost on Financial Liability towards Securitisation	17
Net Interest Income	607
Non-interest Income & Other Income	8
Total Net Income	615
Employee Expenses	205
Other Expenses	48
Depreciation, Amortisation & Impairment	11
Pre-Provision Operating Profit	350
Impairment of Financial Instruments	42
Additional Provisions – COVID-19 Impact in FY21	119
Profit Before Tax	189
Total Tax Expense	49
Profit After Tax	140
Key Ratios ¹	Q1 FY21
Portfolio Yield	21.3%
Cost of Borrowings	11.2%
NIM	11.5%
Cost/Income Ratio	43.0%
Opex/GLP Ratio	5.1%

1) Refer Annexure for definition of key ratios

2) Provisioning including management overlay and additional provisions to account for COVID-19 impact in FY21

Investment Rationale

Consolidated Overview

CAGL: Financial & Operational Metrics

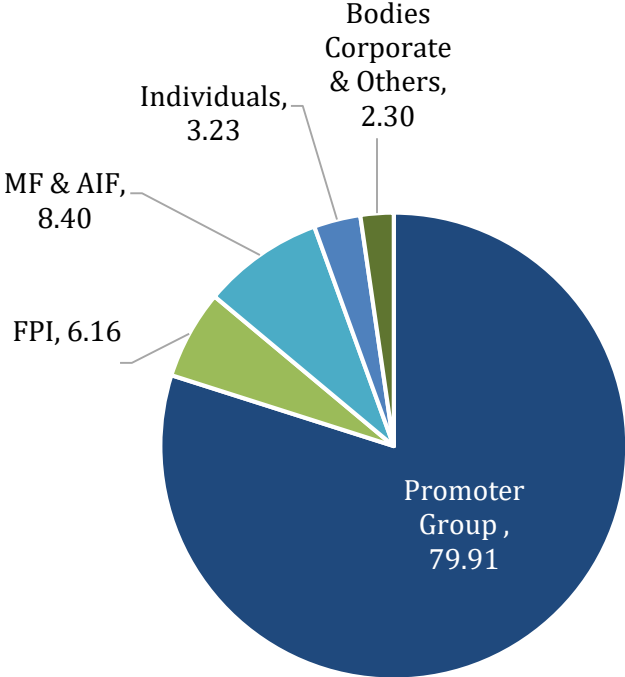
MMFL: Financial & Operational Metrics

Annexure



1. Portfolio Yield = (Interest on loans – processing fees + Income from securitisation) / Avg. quarterly on-book loans
2. Cost of Borrowings / Weighted Avg. COB = (Borrowing cost – finance lease charges) / Monthly average borrowings
3. NIM = (NII – processing fees, interest on deposits, income from direct assignment + finance lease charges) / Avg. quarterly on-book loans
4. Cost/Income Ratio = Operating cost / Total Net Income
5. Opex/GLP Ratio = Operating cost / Avg. quarterly GLP
6. ROA = PAT/Avg. Quarterly Total Assets (including direct assignment) (Annualized), ROE = PAT/Avg. Quarterly Total Equity (Annualized)
7. Debt = Debt Securities + Borrowings (other than debt securities) + Subordinated Liabilities
8. GNPA = Stage III (ECL) exposure at default / (Sum of exposure at default of Stage I + Stage II + Stage III)

Shareholding Pattern (%) - June 2020





Thank You

